Canadian Mining Stock Racket Exposed

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

High Pressure Selling Menaces Canadian Mining

Canadian Needed To Head New Central Bank

Ontario Ban on Liquor Advertising Is Ineffective

Selling Hope For Cash

IN THIS issue The Financial Post publishes an article which shows high-pressure selling of unlisted stocks to be proceeding at as merry a pace as ever in the past. It is almost incredible and deeply to be regretted that international activity of the kind described could grow up on the back of the real progress made by Canadian mining, and especially at a time when governments are understood to be very keen in showing their solicitude that the public will not again be victimized as in the past.

The article published does not attempt to assess the prospects of the properties of the companies used in this gigantic share-pushing game. In the case of only five companies mentioned, the authorized capitalization and the asked prices given to The Financial Post by unlisted security dealers show that the promoters would have the public believe that these companies are worth more than $65,000,000 or will be when all the shares are sold. Human credulity would not go so far as to pay $5.25 a share for Amalgamated Gold stock bought by English people from the so-called Bank of London if the buyers also knew that some of that stock was obtained by underwriters in Canada at 11½ cents a share. Nor would they be so keen to pay such a high price if they realized that under different names this stock has been selling in England for more than a decade.

The companies mentioned in this article are all new though the properties are all old. Some of the people connected with these properties honestly believe that they have promise and some of them may have. Good people inevitably get tangled up in all affairs of this kind, not realizing that share pushers are using them for the show window. Good properties may get a bad eye in exposures of financial mining practices which are anti-social, but the latter have to be stopped regardless of cost if there is to be any real progress.

A regrettable feature of all this for Canadian mining is that hundreds of thousands of shares of companies, which are little more than prospects, are being sold in the United Kingdom as though they were sure winners. That process in years past gave Canadian mining a black eye in England and it is a pity that Canada should be represented mainly by a few organizations selling shares which at the best cannot pay dividends for years. The same salesmanship is being tried in Canada, but Canadians are closer to the mining fields and they have at least the opportunity to find out the facts or something approaching the facts sooner.

* * *

Canadian Banker Wanted

IT WILL be a grave mistake if anyone but a Canadian is appointed to head the new Bank of Canada. Furthermore it is essential that someone be chosen possessing adequate courage and ability to develop the activities and character of the new organization along sound national lines rather than along lines which might be dictated if a nominee of an institution such as the Bank of England were chosen. For the Bank of England, in practice, is more an international than an Empire institution, and while Canada should and will co-operate with this and other central banks throughout the world, experience indicates that this country must be on guard against allowing herself to become the tool of international financiers who, in recent years, have found the central banks of the world one of their most powerful and sinister weapons. Naturally the suggestion that men appointed to responsible positions in an institution such as the Bank of Canada would lend themselves to any policies detrimental to the interests of their country, will at once arouse protest, but the fact remains that long experience shows the statement to be only too true.

* * *

A SECONDARY consideration is the very wrong impression that would be created in England and the world, if it were to be felt that Canada had no nominee able to fill this particular job. If such is the case, then it would be much better for Canada if she were to postpone

(Continued on page 2, col. 3)

Canadian Mines Figure In Share Sale Campaign Planned on Huge Scale

Maurice Singer, Who Has International Record as Tipster and High Pressure Salesman, Formed $20,000,000 Holding Company to Get Control of Mining Companies Needing Financing

SELLING STOCKS AT HIGH PRICES

Admits Control of Mining News of Canada Which Comments Favorably on Promotions — Directors, Mining Engineers and Managers, Seriously Desiring Run for Money, Participate Unknowingly

By WELLINGTON JEFFERS

Maurice Singer, international salesman-extraordinary of unlisted stocks, has been for three months using the holding company device on a grand scale to get control of a number of mining companies which have shares to sell and need financing. Intensive efforts have been made by himself, by companies in which he is interested and by other companies both in Canada and the United Kingdom to interest investors in shares of companies so acquired, and certain high pressure features of the selling are causing acute anxiety in responsible quarters lest Canadian mining once again get an undeserved black eye in the British Isles.

Mr. Singer, whose activities in a score of unsavory promotions in the United States and England have been given wide publicity in those countries, is now a naturalized Canadian. He has been far from idle since his coming to Canada but in the last several months he has been giving his peculiar flair for finance full way. The latest venture bears all the marks of previous efforts but the scale of operation intended is much larger.

$20,000,000 Company on Paper

In the forefront of his share-selling activities stands Associated Gold Mining & Finance Co. with an authorized capital of 20,000,000 shares of $1 par value. Mr. Singer informed a Montreal investigator that this company—and he acknowledged his interest in it—had physical control of Plymouth Gold Mining Co., United Gold Exploration, Concordia Gold Mines and was negotiating for 51 per cent stock control of Amalgamated Gold Fields Corp., which under the name of Blue Quartz Gold Mines has been offering shares to investors in Canada and England for more than a decade.

Their Master's Voice

In March last Mr. Singer, with others, acquired control of "Mining News of Canada," which is sold on the streets of Montreal and Toronto and which also is sent to anybody for a free trial subscription. This information was given by Mr. Singer himself to the Better Business Bureau of Montreal, which is just issuing a bulletin. Since that time the newspaper has carried a number of laudatory articles on Plymouth Mines, Concordia Mines and United Gold Exploration. Names of those who sent in a coupon for a free trial subscription were given to Clement Trihey & Co., Ltd., also controlled by Singer. Clement Trihey and one of the chief employees, not liking the appearance of affairs, resigned and thereupon Maurice Shulman, a Montreal lawyer, applied for the name to be changed to Trans-Canada Securities Corp. Double-page advertisements of Plymouth Gold stock for sale by Trans-Canada Securities Corp. thereupon began to appear in Mining News of Canada.

The editor of Mining News of Canada, H. A. Somerville, is also secretary-treasurer of Plymouth Gold Mining Co. It is a dual capacity which apparently would make editorial impartiality with regard to Plymouth Gold Mining Co. news difficult of attainment. Just as dubious to the investor, if he knew it, would seem the triple interest of Maurice Singer in the Plymouth shares, in the company making the offering to the public and in the mining journal which carries favorable news. It should be added here that Singer's interest in Plymouth shares, through Associated Gold, is denied by some officials.

Seek Outstanding Names

At first sight, the advertisement of Trans-Canada Securities Corp. in Mining News of Canada of June 23, 1934, gives such independent and impartial testimony because it carries at the lower left-hand corner the following statement:

"The Plymouth property has been examined and passed upon by such eminent engineers as J. G. Cross, E.M., G. F. Macdonnel, E.M., W. J. Preston, E.M., Dr. Bishop and R. W. Howe, E.M., of Milton Hersey Co., Ltd., who are all very enthusiastic regarding the appearance presented in the amount of work done to date."

Messrs. Milton Hersey Co., Ltd., chemical and mining engineers, state that this use of their names in the advertisement was without shadow of authority. J. B. Cowell, president Chemical & Metallurgical Corp., also is quoted in the next issue of Mining News of Canada to the effect that, whatever personal opinion he might have of the property, he did not authorize statements made under the heading, "Further development and mine management."

A study of some of these companies indicates that it is the policy of those in charge to secure as outstanding names as possible for legal, mining and assay work. From the standpoint of the seller of shares the inclusion of such names is very impressive to the unsophisticated. He does not realize that these men and firms are not thinking of promotional activities to come. They do the work asked of them well and honestly and naturally do not concern themselves with matters that do not affect their own work unless their attention is drawn to unauthorized use of their names. This article is in no way to be construed as criticism of the merits of the mines owned by the companies or of the reports made by men of good reputation. Some of the properties under proper auspices might do well, but the records of high pressure salesmanship are full of examples where much good work has been done by men acting in good faith but where selling methods "queered" well-meaning efforts because the buyer was not given a fair deal.

Singer in Paris

In Montreal last week a representative of The Financial Post tried to locate Maurice Singer. He was informed that Singer had gone to Paris, France. Enquiries from important sources had been getting rather pointed after the break-up of the Clement Trihey firm, but Maurice Singer's influence is still strong with certain companies in Montreal and Toronto. In Montreal, The Financial Post was told, long cables were being received from Singer.

The Mining News of Canada has been going to a British mailing list for some time. Singer did not go to England for a good reason. When Jacob Factor (Jake the Barber) left England speedily in 1926 because police showed an inconvenient curiosity in the sale of British Associated Oil Co. shares, which he was selling, the sale did not stop. Later in the year Singer sold his shares in England and with several of his associates issued a writ against "Truth" for libel. "Truth" continued its criticisms and the action was never pushed. The same journal, "Truth," on June 27, 1932, reported that Maurice Singer was prosecuted in Bow Street court for using an irregular passport and making a false statement to immigration officers.

Certainly shares of some of these companies which Singer is interested in are being pushed in England. The Investors Chronicle and Money Market Review writes The Financial Post asking for information as to United Gold Exploration $1 par value shares. They were being sold for about five shillings a share. As this was equivalent to $1.25 a share in Montreal funds, the English journal was interested in quotations of unlisted shares in Canada which showed $1 bid, $1.10

(Continued on page 2, col. 3)

$65,850,000 Sales Objective

The following table is given for easy reference of readers as they follow the maze of companies, options, agreements, articles by controlled newspapers and offerings of shares under different auspices in Canada and Great Britain.

	Authorized Shares	Price Asked	Promoters Valuation
Associated Gold Mining & Finance Co.	$20,000,000	$1.15	$23,000,000
Plymouth Gold Mining*	4,000,000	.65	2,600,000
Amalgamated Gold Fields	5,000,000	‡5.25	26,250,000
Concordia	3,000,000	3.20	9,600,000
United Gold Exploration	4,000,000	1.10	4,400,000
Total Sales Objective			$65,850,000

‡Bought by Canadian Organizers at 11½ cents a share and sold in England. Latter company made further offer of 16 shares Associated Gold Mining & Finance Co. for one share Amalgamated Gold. •Vendors of properties to Amalgamated Gold and predecessors have so far got lion's share of benefit from financing while retaining control of company's property. *Some directors deny interest of Associated Gold Mining & Finance Co. in Plymouth Gold, this interest being alleged by Maurice Singer.

SEE SHORTAGE OF FOODSTUFFS IN PRICE RISE

Short Wheat Crop Only Minor Factor in Recent Jump

CORN CROP IMPORTANT

Predict Heavier Demand for Wheat in 1935 as Other Grain Crops Unable to Meet Demand

From Our Own Correspondent

WINNIPEG.—The bullish factors which are giving strength to the wheat market at the moment are not to be found in statistics of wheat production, in spite of the fact that world production this year is likely to fall short of the usual rate of world consumption by several hundred million bushels. The extensive carry-over from previous years is sufficient to take care of that.

Were wheat alone in question the most that could safely be said would be that at the close of another crop year the excessive surplus that has overhung world markets during the past five years is likely to have disappeared, and that the course of prices would then depend upon the relationship of future annual production to annual demand.

General Food Shortage

But much more than wheat is involved, and world deficiency in production of other food and feed crops may cause a fairly tight situation in total world food production. That may mean a considerable increase in total consumptive demand for wheat during the coming year, and what is perhaps of equal importance reserves of food may come again to be considered highly important assets, instead of uncomfortable burdens.

A change in state of mind which would cause farmers on a world-wide scale to hang onto wheat instead of striving to get rid of it, that would cause millers, merchants, bakers and housewives to look upon bins of wheat or sacks of flour or indeed stocks of food in any other form as comfortable insurance against trouble, would cause a vast difference in the market situation. A slight shift of the hoarding instinct which so largely has been applied to gold, if applied ever so lightly to food, could have very large consequences.

Small Corn Crop

When the United States Government made its bullish crop estimate the other day the most important thing was not that the crop was set down at 484,000,000 bus., which after all was only about 5 per cent less than was generally expected. Twenty or thirty million bushels one way or the other are not very significant, and are within the margin of possible error at this time. The important thing was that the corn crop was estimated at several hundred million bushels below general expectations. A heavy corn crop in the United States is 3,000 million bushels, while one of 2,000 million bushels would represent an acute shortage, especially when small hay and pasture crops are taken into consideration.

The Government placed the prospective yield at little over 2,000 million bushels, and continuous damage from heat might bring it well below that quantity. Cut it a little

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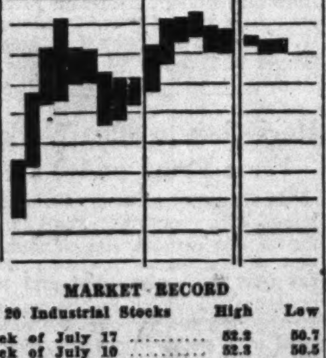
Stock Market

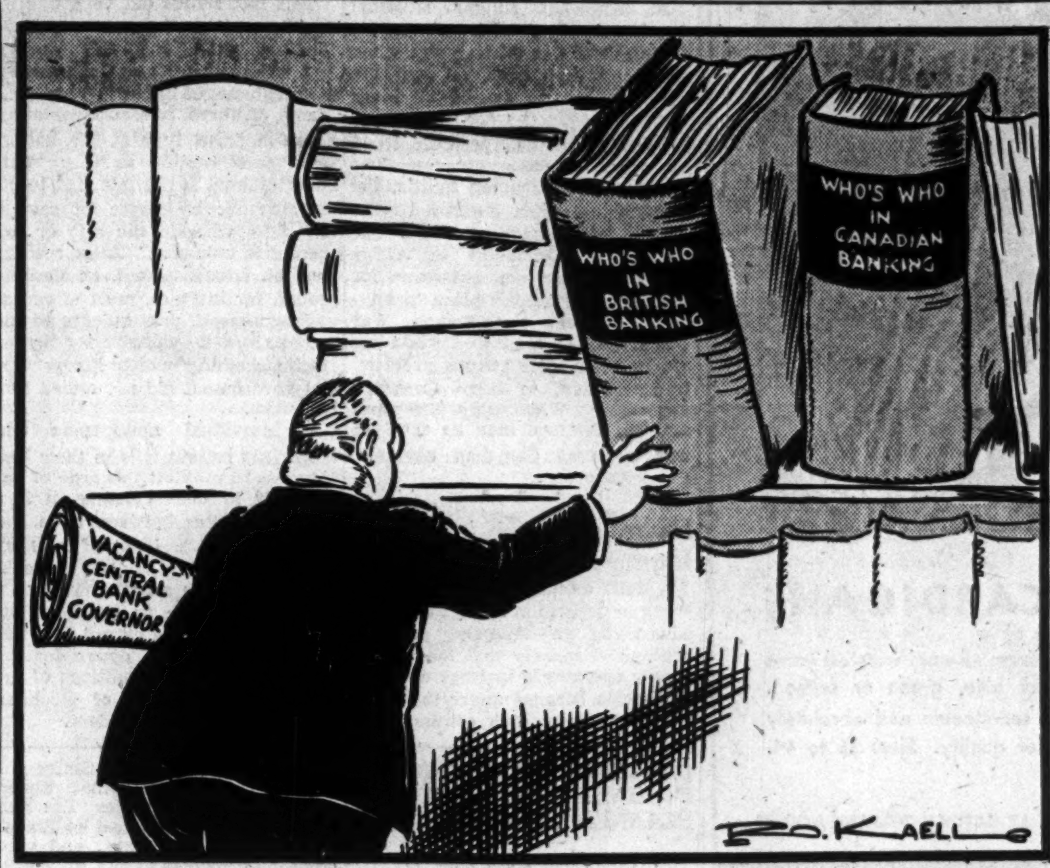
20 INDUSTRIAL STOCKS

Monthly Apr., 1933 to June, 1934 | Weekly July



MARKET RECORD

20 Industrial Stocks	High	Low
Week of July 17	52.2	50.7
Week of July 10	52.3	50.5
Month of July, 1933	56.2	42.5
10 Public Utilities		
Week of July 17	51	50
Week of July 10	51	50
Month of July, 1933	59	50
8 Bank Stocks		
Week of July 17	183	178
Week of July 10	181	179
Month of July, 1933	198	178



—Drawn for The Financial Post by R. Kaell.

LOOK IN THE OTHER VOLUME TOO, MR. BENNETT!

FRANCESCHINI'S CHANGE STATUS WITH DUFFERIN

James Franceschini Withdraws as President But Stays in Firm

FORM NEW FIRM

James Franceschini, founder, and formerly president and managing director of Dufferin Paving and Crushed Stone, withdrew from the position several months ago, The Financial Post is informed. "But he's still working for us," an official of the company recently stated to The Post.

At the time of offering of $2,000,000 of the company's seven per cent preferred stock in 1929, the issue circular stated that James Franceschini had "entered into a long term contract with the company to continue as managing director," and that his life had been insured for a substantial sum in favor of the company.

Leonard Franceschini, brother of James, previously vice-president, is now president of the company. In his comment in the annual report, and apparently at the annual meeting, no specific mention was made of the withdrawal of the founder of the business from the presidency.

New Sales Subsidiary

Another matter to which no attention was directed in the annual report is the formation last March of Dufferin Paving Co. Ltd., whose letters patent issued at Ottawa give it authority to carry on all kinds of construction work. This firm is an associate of Dufferin Paving and Crushed Stone, The Financial Post is informed. One official states that it is "exclusive sales agent." Otherwise no explanation of its existence has been made. It is understood the officials or former officials of Dufferin Paving and Crushed Stone are connected with the new Dufferin Paving Co. Ltd.

Dufferin Paving Co. Ltd. has a capital of 1,000 no par value shares which may be issued for an amount not to exceed a total of $50,000. Chief place of business is Hagersville, Ont., where one of the chief quarries of Dufferin Paving and Crushed Stone is located.

Outlook Better

At the annual meeting of Dufferin Paving and Crushed Stone Ltd. on July 16, Leonard Franceschini reported that the outlook for the construction industry is much more hopeful than has been the case for some time. Officers and directors elected were: Leonard Franceschini, president; H. H. Salmon, secretary-treasurer; J. H. Ratcliffe, of McLeod, Young, Weir & Co.; R. M. Scrivener, William Inglis, and D. L. McCarthy, K.C. Mr. McCarthy is a new director, and James Franceschini, C. Johnston, of Oakville, and L. B. Spencer, of Welland, have been dropped from the board.

In the 1931, 1932 and 1933 years the company showed deficits which reduced surplus from $231,959 in 1930 to $76,227 in 1933. Dividends on the $1,838,500 of preferred stock are in arrears 15¾ per cent.

James Franceschini, who has withdrawn as president of Dufferin Paving, is widely known in Canada as the Italian immigrant boy who started in construction work as a laborer, and built up one of the larger firms in the field on his own initiative. He is also widely known as an exhibitor of hackney show horses. He was born in Pescara, Italy, in 1890, and came to Canada in 1905. He organized the Dufferin Construction Co. in 1918, and formed Dufferin Paving Co. as a consolidation of various associated companies in 1929.

CAN. MARCONI ENTERS PACT FOR CABLES

Agreement With Imperial Covers 18-year Period

SHOWS DEFICIT

From Our Own Correspondent

MONTREAL.—Canadian Marconi Co. has entered into an agreement with Imperial and International Communications Ltd., now Cable and Wireless Ltd. Though negotiations were not concluded until last May, the agreement is retroactive to January 1 and extends to March 31, 1953. The result of this agreement, the president points out, is to remove any conflict of interest and thus to enable the overseas services of both companies to be worked on a basis of mutual assistance and co-operation.

The financial statement of Canadian Marconi for 1933 reveals a reduction of operating losses, liquidation of inventories and strengthening of balance sheet position. The losses on operation last year totalled $35,865, or about $21,000 less than in 1932. After setting up a depreciation reserve of $137,659, the previous profit and loss account balance of $121,077 was turned into a debit of $52,447.

Wipe Out Balance

Particulars of the profit and loss account follow:

	1933 $	1932
Deficit on operations	35,865	56,618
Add: Depreciation	137,659	131,468
Oper. deficit	173,524	188,086
Previous surplus	121,077	359,163
Less: Prov. bad debts	......	50,000
Balance	*52,447	121,077

*Deficit.

Strengthening Balance Sheet

At the end of last year the company's bank overdraft had been reduced to $203,165 from $251,652 at the close of 1932. A mortgage due in 1936 was reduced from $50,536 to $35,000, while a new mortgage of $14,000 appears among the current liabilities.

Changes noted among the assets include an increase in Government securities from $281,063 to $358,652. Inventories were reduced during the year from $694,409 to $443,319. Cash on hand at $62,841 is more than double that reported a year ago. Accounts receivable remain about the same; a new item, however, is $35,281 of deferred accounts receivable.

At the annual meeting of the company Sir Joseph Flavelle retired from the position of president but retained office of Chairman of the Board. F. Perry, formerly vice-president, was elected to the office of president and deputy chairman. A. H. Ginman was elected to the board in sucession to Right Hon. F. G. Kellaway. Other directors and officers were re-elected.

Retail Prices Do Not Follow Wholesale Rise

The upward movement of wholesale prices in June was not followed by retail, the wholesale index being largely influenced by higher grain prices. The decline in retail prices was partly seasonal, due to lower quotations for a group of foodstuffs.

	June, '34	—Changes— From Prev. Period %	From Prev. Year %
Monthly:			
W'sale price Index	72.1	+1.4	+6.8
Retail price Index	78.4	—0.4	+1.9
Cigs. consumed No.	468,990,240	+14.2	+7.2
Weekly:			
W'sale price Index	.....	....	....
Carloadings No.	39,947	—14.4	—1.4
Cattle sales, No.	11,890	+33.1	+11.1
Hog sales, No.	15,420	—0.1	—3.0

Highlights of the week

Summerside Wins

Records show that Summerside, P.E.I., has the lowest tax arrears of any Canadian city. Its budget is also balanced. An intimate picture of this thriving town. Page 5

New Mines Minister

Paul Leduc was recently appointed Minister of Mines. The Financial Post presents an intimate sketch of his career and views. Page 16

Sun Life Stock

Shareholders' equity in non-par surplus has dropped $14,000,000 in two years. Page 13

Imperial Bank Owners

Shareholder list of Imperial Bank shows that women are large holders of stock. Page 13

Tariff Board Powers

Future of the Tariff Board and the extent of its powers is in doubt. Historical sketch traces changes. Page 9

Mining Racket Exposed

How high-pressure operators load the public with worthless stock. International ring indicated. Page 1

Chevrolet vs. Ford

Survey of race for sales lead shows Chevrolet in first place. Dodge and Plymouth in third place dead-heat. Total sales of all makes approach 1931 level. Page 7

Uncollected Taxes

Gross accumulated tax arrears of Canadian municipalities are over 50 per cent of annual taxation. A problem that calls for solution. Page 3

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$260,000,000 FEDERAL LOAN SEEN IN FALL

Ottawa Financing Greatly Exaggerated in Press Reports

DEFICIT SMALL

Last Year's Deficit Funded—Plan Conversion of 1934 Loan Only — Small Maturities Met

From Our Own Correspondent

OTTAWA.—Federal financing this year will be of much smaller dimensions than advance reports and current street gossip indicate. Including the Victory Loan conversion, total public financing in Canada may be about $260,000,000.

Reports published in many daily newspapers have forecast a Dominion loan of anywhere from $500 millions to one billion dollars. This figure has been arrived at by taking debt maturities this year at $423,977,527 and adding the last year's deficit of some $135,000,000. The balance has been heralded as a conversion of future maturities.

Enquiries at the Finance department strongly indicate that no change in conversion plans has taken place since Premier R. B. Bennett, speaking in the House of Commons, said that the most favorable time would be a year or two hence. Unless members of the Government change their views very radically in the next few months, conversion operations on future maturities will play no part in 1934 financing.

Deficit Looked After

As for last year's deficit, contrary to many reports published in recent weeks, it has already been attended to. The Federal balance sheet as shown in the budget speech did not reveal any bank over-drafts. As a matter of fact the 1933-34 deficit does not enter into the picture of this year's borrowings at all.

Actually the Dominion loan to be offered this fall may run to considerably less than $300,000,000 depending on revenue prospects as they appear a few months hence. While the last year's deficit is out of the way, the Government will look after the current deficit this fall. The size of the deficit will be determined largely by tax revenues which have, so far, been running generously in advance of 1933. Nor will the $40,000,000 public works programme add materially to the worries of the current year. Little money will actually be called for until 1935 and, in any event, the new currency laws will enable the Government to take care of public works bills.

Size Exaggerated

Not only will the capital sum to be borrowed be much smaller than is popularly supposed, but the Government intends to make vigorous efforts to establish a new low in interest rates. The objective is 3½ per cent for long term Dominion bonds. This may seem somewhat chimerical but treasury officials point out that it is slightly higher than today's market return on several Federal issues now outstanding.

The facts with respect to the Federal position are as follows:

Maturities this year:	
1884 loan, 3½%, due June 1, London	$ 23,467,206
School lands debs., 5%, July 1	33,293,471
1 yr. treasury bills 3½%, Aug. 1	50,000,000
15 mo. notes 4% Oct. 1, N. Y.	60,000,000
2 yr. notes, 4%, Nov. 1	35,000,000
1919 Victory Loan 5½%, Nov. 1	222,216,850
	$423,977,527

Treasury Bill Sales

The first borrowings this year were two issues ($15,000,000 each) of short term treasury bills. The first was issued in March and the second in April. In both cases short maturities totalling $4,050,000 have already been met. There is $25,950,000 maturing in the autumn, $13,400,000 Oct. 1 and $12,550,000 Nov. 1.

In May, the Dominion floated a £10,000,000 loan at London. Part of the proceeds, which totalled about $48,000,000, has been used to meet the 1884 loan which matured June 1, and the balance has been transferred to Canada. But of this 1884 loan, more than half the principal sum required was held in a sinking fund. The exact figure is not available but probably not more than $13,000,000 was needed, leaving some $35,000,-

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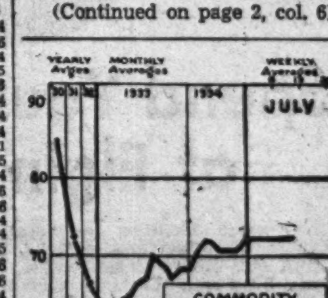

Although wheat prices rocketed upward on the Winnipeg exchange during the past week they failed to affect the weekly index of the Dominion Bureau of Statistics which remained at 71.9 for the week ended July 13.

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Good looking cardigans, knitted from all-wool worsted yarns in heather mixtures—Lovat, dark blue, green or salmon. Nicely finished throughout, very serviceable and absolutely outstanding value for this superior quality. Sizes 36 to 44. Eatonia value each $3.00.

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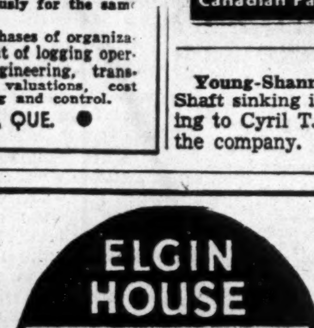
Young-Shannon Gold Mines — Shaft sinking is under way, according to Cyril T. Young, president of the company.



Spend Your Vacation at Elgin House

Unsurpassed facilities for vacation enjoyment. Riding, Golf, Tennis, Lawn Bowling, Bathing, Canoeing, Launch and Steamer Trips, etc. House steam heated, also seven open fireplaces. Cottages adjoining to let furnished. The magnificent New North Lodge provides added quarters beside the lake. Garage accommodation. Good motor roads. June 23rd to November. Booklet (including map of Muskoka Lakes), Rates and Plan of Rooms on request to

150 rooms with hot and cold water. 75 with private bath. 75 with steam heat and private balconies.

ELGIN HOUSE LIMITED
Muskoka, Ontario, Canada

The Nation's Business

(Continued from page 1)

creation of a central bank until such time as she was able to operate it from among her own financiers and bankers.

Even the appointment of a deputy-governor or director from outside the country should be necessary (if at all) as a very temporary measure, but to appoint other than a Canadian to head the Bank of Canada would be a distinct reflection, if not an impertinence, to this Dominion.

A somewhat similar situation developed in a different sphere during the South African war when Canada was to supply a complete regiment but on arrival in South Africa, all officers were to revert to the ranks and their positions filled by young British officers. The organ of the Canadian militia, the Military Gazette, exposed the scheme and Canada protested. The records of Canadians in Africa showed it was not necessary for them to take second place to anyone. In fact the British War Office had to send to Canada for aid in their most serious problem, transportation, to learn Canadian experience. When Lord Kitchener arrived, the first man he sent for was a young Canadian engineer, Percy Girouard.

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Banning Liquor Advertising

IN THE discussion currently raging in Ontario in respect of liquor advertising an important point is overlooked namely that the ban as it now operates is in large measure ineffective because under the present situation on this continent no single province can hope to prevent the advertisement of this commodity unless it places a complete ban on such media as imported periodicals, radio broadcasting, direct mail and so forth. There is scarcely a Canadian home that is not reached by one of these media, which indicates the impossibility of enforcing in any reasonable manner the type of restriction which has been attempted in Ontario in recent years.

This fact stands out very bluntly when one reads the American publications which flood this country and which now contain a considerable volume of liquor advertising. Many of these advertisements include in small type at the bottom some such caption as this: "This advertisement is not intended to offer alcoholic beverages for sale in any state wherein the sale or use thereof is unlawful." After reading such an advertisement, an Ontario reader, for instance, must of course excuse himself, pass quickly to the next page and apologize for having read something which his provincial government did not intend him to peruse.

If individual newspapers and magazines believe it is in their best interests to prohibit this type of advertising in their columns, it is a personal matter between them and their subscribers. Many of the most important publications on the continent take this stand. However a general ban such as has been attempted in the past cannot help but be ineffective and discriminatory under present-day conditions of the sale and distribution of alcoholic beverages on this continent.

CANADIAN MINES FIGURE IN SHARE SALES CAMPAIGN PLANNED ON HUGE SCALE

(Continued from page 1)

asked. The letter also referred to an enclosed circular letter issued by The Financial Express and signed by Thomas Charlton. This letter dated June 21 recommended each one to whom it was addressed to buy United Gold Exploration shares and informed the recipients that the next issue of Financial Express, "founded 1901," would give details relative to the shares. He reported "extensive dealings in Canada and many other important financial centres" in the shares and said an application for quotation on a recognized exchange would be made soon.

The Financial Express enclosed with each letter sent out a "business reply" telegraph form, and recipients were advised to use it immediately.

"Instructions received will be handed on to a broker for execution. The Financial Express deriving no profit from the transactions, the recommendation being made simply on the merits of the shares which possess exceptional prospects and with the object of gaining further subscribers," said Mr. Charlton.

"My conclusions," states the letter further, "are that there is every evidence that this mine has great prospects of becoming a larger producer and the shares afford scope for material appreciation and high dividends."

The letter also says that this is the recommendation, promised in a previous communication, which "would result in an early substantial profit."

The editor of The Investors' Chronicle comments in the issue of June 30:

"We have previously commented on the widespread distribution by The Financial Express of a generous offer of free copies of the publication, and have also showed that though the paper states that it was founded in 1901, it appears to have been practically dormant until April of this year. The explanation of its rejuvenation is now forthcoming, for in the past ten days myriads of circulars must have been distributed by The Financial Express."

The June 23rd issue of The Financial Express carried the promised article on United Gold Exploration but gave rather vague but impressive details of operations such as that the main ore body shows an average width of six feet, that assays showed $291 a ton and that the test was "composed of the leanest portions of the rock." The Investors' Chronicle editor naturally finds it 'very unusual for satisfactory shares to be offered in this way."

Not Unusual For Singer

The Investors' Chronicle editor is right and therefore tipster tactics in share pushing rarely help a company in whose behalf they are supposed to be employed. Anyone who studies the record and the results achieved by Singer when connected with the Security Stock Co., in the United States, as reported by National Better Business Bureau, will soon be convinced that none is helped as a rule by a tipster but the tipster:

Lionel Investors Service.
Securities Stock Co.
Singer's Investors' Service.
Pratt's Stock Trend.
National Bureau of Financial Information.
Municipal & Industrial Securities Co.
National Forecaster.
American Mutual Service.
The Wall St. Outlook.
The Kurtz System.
Singer's Stock Service.
Lee Cohen & Co.
The Wall Streeter.
Southern Industrial Securities.
Consolidated Power & Light Corp.

While in Toronto Singer was connected with the Security Stock Co. (later Security Transfer Co.) fiscal agents for British Associated Oil Co., of which Singer was president. It was the stock of the latter company that was sold by Jacob Factor in England in 1926 and later by Singer himself.

Tipster sheets were used in the sale of Southern Industrial Utilities Corp. stock. The Attorney-General of New York stopped the sale and later the stock of the successor company, Consolidated Power & Light as well. Fraudulent practices and false statements were alleged in each case.

Helpful American Specialists

The fact that Lionel Investors Service leads the above list of Maurice Singer's United States activities reminds one that Elmer Crosby Betts, who writes "The Red Letter Service," published by Trans-Canada Securities Corp., and who advised all readers to buy Plymouth Gold "immediately," was also connected with Lionel Investors Syndicate in 1928. Another employee of Clement Trihey & Co., predecessor of Trans-Canada Securities Corp. was Wm. Sheridan, Jr., mentioned in the United States in connection with the Geo. F. Redmond Co. bucket shop which was exposed in 1924. Similarly mentioned was his father, Wm. Sheridan, Sr., who is now "the Specialist" of "Champlain, The Financial Advisory Specialist," now operating an advisory service out of Montreal.

New Names For Old

All the mining companies mentioned by Singer as being controlled by his holding company, or as being angled for, are old properties whose names have been changed. The Concordia Mines, Ltd., is built around the old Jones-Porter claims in Deloro township, Ontario. Plymouth Mines, Ltd., is a new name for the old Mayflower mine in Kenora district. United Gold Exploration is simply the old Bellehumeur property, and Amalgamated Gold Fields, Ltd., is mainly the old Blue Quartz Mine at Boston Creek. Stock of the latter company has been offered in England at intervals for more than a decade.

Associated Gold Mining & Finance Co., Ltd., incorporation was asked for by Maurice Shulman, Montreal lawyer on April 19, 1934, and he got quick despatch in granting letters patent because "my clients are very anxious to sign a contract on Saturday, April 21, to acquire certain properties in the name of this corporation and I have practically assured them that the letters patent could be ready at that date." He got the despatch asked for. In asking for a capitalization with the unusual total of $20,000,000 the provisional directors were Maurice Shulman, Ezra Leithman and Irene R. Brown, of Montreal.

Resigned

Maurice Shulman also asked on June 15 for change of name from Clement Trihey & Co. to Trans Canada Securities Corp. on the ground that "Clement Trihey is no longer associated with Clement Trihey & Co." Clement Trihey & Co. had only been formed on April 7, 1934, to do a general investment, financial and brokerage business and then Clement Trihey was shown as president and director and Martin O'Gorman as secretary-treasurer and director. Neither of these men liked the aspect of things and resigned within two months.

Plymouth Options Associated Shares

Incorporation of Plymouth Gold Mining Co. took place at Quebec on May 19 with a capital of $4,000,000 in $1 par value shares. In consideration of 3,500,000 shares of stock J Leonard Bleet assigned to Plymouth Gold Mining Co. all his right and title in an option entered into by him on May 11, 1934, and in 1,000,000 shares Associated Gold Mining & Finance Co. Some of the directors deny any overtures to exchange Plymouth stock for Associated Gold Mining & Finance stock, but copy of this option is filed at Quebec.

The optioners were R. W. Howe and J. Bryan Cowell, of Chemical & Metallurgical Corp., who had obtained on April 18, 1934, an option from Mayflower Mine of Rainy River to 120 acres of mining claims in Rainy River district. Leonard Bleet as optionee undertook to deliver to the optioners 200,000 shares out of a 3,000,000 share company to be incorporated under Quebec laws, "said shares to be pooled and escrowed for two years." It was agreed that 300,000 shares mentioned in the option should also be escrowed by the optioners for two years. The optionee further undertook that he would cause the directors of the company to be incorporated to appoint Chemical & Metallurgical Corp. as mine managers for two years. The optioners undertook to dewater the shaft, to cut samples and assay them, Leonard Bleet paying expenses.

Original Options

The original option with Mayflower Mine of Rainy River gave Messrs. Howe and Cowell the exclusive right to acquire claims for $109,000 and 10 per cent of the capital stock of a company to be incorporated. The $109,000 was to be paid $4,000 cash down and other quarterly amounts first of $1,000 and then of $500 to December 1, 1935. Then the sum of $90,000 would be paid from 25 per cent of the gross receipts as and when received, less expenditures. Final payment had to be made by June 1, 1939. The old company was to get 15 per cent of the total capitalization of the new company to be incorporated and an additional 5 per cent for Dr. D. C. McKenzie. A minimum of $10,000 was to be spent on the property in the first year for mining and development. It was a vital part of the agreement to have the company incorporated before August 1, 1934, and the old interests insisted on representation until terms of the option had been fully lived up to.

The operating company for years was Mayflower Gold Mines and Mayflower Mine of Rainy River, Ltd., held mortgage for $30,000. This company was inactive for years and without funds. Most of its stock was pooled during this period and first attempts at financing were unsuccessful. Randy Howe and Mr. Cowell apparently see considerable promise in the property and Montrealers agree they are in earnest.

Plymouth Mining Co. officers were Senator H. W. Laird, of Ottawa, president, and Harry A. Somerville, secretary-treasurer. The directors decided to issue 450,000 treasury shares the first 250,000 shares to net the treasury 50 cents a share, the next 100,000 shares 75 cents and the next 100,000 $1 a share. Clement Trihey & Co. was given the option to buy at these prices. All these shares were to be sold for cash and 70 per cent of the proceeds to go to the company.

Blue Quartz Successor

Amalgamated Goldfields Corp., incorporated in May, 1933, with 5,000,000 shares of no par value, took over the properties of Blue Quartz Gold Mines for 2,000,000 shares and agreement to pay $50,000 to vendor on or before July 2, 1935. Amalgamated Goldfields Corp. is also to bear the expenses of Blue Quartz Gold Mines in connection with an agreement made by Blue Quartz with Fred Asner, a well-known promoter from the United States, and to pay all expenses on incorporation including $2,000 advanced by Fred Asner on account of its incorporation expenses.

Canadian Organizers Enters

There was also a proposed agreement between Blue Quartz and Canadian Organizers by which the latter got the right on June 3, 1933, to purchase up to 2,000,000 no par value shares within three years from the date of the agreement for a minimum sum of $50,500 in the first year and $7,500 monthly for the rest of the period. That works out at about 11½ cents a share.

Blue Quartz authorized capital was $5,000,000 of $1 par value of which 2,956,208 shares had been issued.

Canadian Organizers, mentioned above, was incorporated on May 31, 1933, with the following Montrealers interested as chief men: L. E. Sheasgreen, who is secretary-treasurer of McFetrick & Co., members of the Montreal Curb, J. F. O'Donnell, who is vice-president of the same company and William Mitchell. It was intended to do a general investment business.

Vendors Get Bulk of Shares

Concordia Gold Mining Co. was incorporated May 12, 1934, with Col. Robert Starke & Co., of Montreal, as president and managing director. Its capitalization is 3,000,000 no par value shares with 2,250,006 shares issued. For 14 claims of 600 acres and buildings thereon with a liability of $7,000 to be paid before June 29, 1934, the company agreed to give 2,250,000 shares to Morris Gerber, vendor. These claims formerly belonged to Jones-Porter Mines, Ltd., which went bankrupt November 16, 1933. The authorized stock was $3,000,000 and the issued stock 1,870,074 shares. In addition 400,000 shares were sold for 12½ cents a share and 277,964 for 50 cents a share. At about the same time there was organized a Montreal financial house known as Starke & Co., with Col. Robert Starke chiefly interested.

Bellehumeur Mining Company's name was changed to United Gold Exploration on April 21, 1934, at Quebec. It was reported to have neither cash nor liabilities at the time. The Bellehumeur Mining Co. itself had been incorporated December 5, 1927, with a capitalization of $4,000,000 in $1 par value shares. An agreement dated January 26, 1928, shows R. O. Wood, vendor of claims aggregating 200 acres in Laverlochere township, Temiscamingue, Quebec, parting with them for $3,999,994 in $1 par value shares of the company. Some of these were transferred to others as a later report showed Ambroise Bellehumeur with 327,000 shares and four Trudels with shares running from 3,000 to 14,000 each.

Neither at Quebec nor Ottawa could The Financial Post find that a return had yet been filed showing the capitalization of United Gold Exploration but The Financial Express (London, England) of June 23 said that the capital was $4,000,000 in $1 shares, "which up to recently were privately held." If that is right it would look as though there were no treasury shares at all but a definite statement from the company would be welcome. The shareholders present at the Montreal meeting on April 30, 1934, where it was decided to ask for a change of name were J. A. M. Charbonneau, Ambroise Bellehumeur and proxies were held from Olivier G. Blois, R. W. Wood and others by R. G. Meech, lawyer of Toronto.

Horseshoe to Start Work From Point on 4th Level

P. M. Chandler, secretary Horseshoe Mines, with property in the Lake of the Woods district, has announced that dewatering of the main shaft has now been completed and that underground developments will be started in a few days on the fourth level at a point where the face of the drift gave channel assays across three feet in width of from $8.05 to $17.15 per ton in gold. This property was first opened up in 1895, and intermittent work has been done on it since then. At one time it was known as the Regina Reef Gold Mines Ltd.

SPRUCE FALLS LOSS $419,023 AFTER CHARGES

Sold More Newsprint But Lost Exchange Premium

A loss of $419,023 in the year ended April 30, 1934, was suffered by Spruce Falls Power and Paper Co. after payment of bond interest, compared with a net profit of $32,150 in the preceding year.

Net earnings totalled $241,989, after allowance for expenses, depreciation and contingencies, compared with $763,375 in the 1933 year. This was short of interest amounting to $641,667 on the 5½ per cent first mortgage bonds by nearly $400,000. Cessation of dividends on preferred shares held the deficit for the year below the figures for 1933.

Income statement follows:

Income and Surplus Account
Years Ended April 30

	1934	1933
	$	$
Net earnings†	241,989	763,375
Less: Bond interest	641,667	696,667
Res. for inc. tax	....	34,558
Prov. corp. tax	19,345	
Net profit	*419,023	32,150
Less appropriations:		
First pref. divs.	....	311,500
Second pref. divs.	....	175,004
Deficit for year	419,023	454,354
Add: Previous surplus	4,718	206,121
Timber limit deplet.	....	252,951
Bal. carried forward	‡414,305	4,718

† After reserves for contingencies and depreciation, general expenses, etc. * Loss. ‡ Deficit.

President's Remarks

F. J. Sensenbrenner, president, comments in the annual report:

"There was quite a persistent advance in advertising volume, with the result that the company's sales of newsprint paper during the fiscal year ended April 30, 1934, were 13.3 per cent more in tonnage, but due to the extremely low price coupled with loss of premium on U. S. funds (which are now at a slight discount) sales were 3 per cent less in value than during the preceding fiscal year.

"The company's sales of sulphite pulp were not only 57.6 per cent higher in tonnage, but also 76.9 per cent more in value. There is at present a fair demand for our sulphite production at prices yielding a moderate profit.

Sales for Year

"The sales for the year aggregated $4,366,555 on which a gross profit was derived of $499,150, after charging off depreciation. General administration and sundry expenditures reduced this figure to a profit from operation of $258,567. After meeting bond interest requirements, writing off $10,923.00 of bond discount and setting up a reserve of $25,000.00 for contingencies, a net loss was sustained of $419,022. During the year the company paid $1,000,000 par value of maturing first mortgage bonds...

"Not only have we increased labor cost to contend with, but costs of raw materials and equipment have been steadily rising during the last 12 months, and while the increase in the consumption of newsprint by our customers is helpful, it must be apparent that an increased price for newsprint must be established for the industry to meet the increased costs of manufacture and hope for any return on capital investment."

The amount of bonds outstanding was reduced to $11,000,000. There was $15,000,000 originally issued.

Working capital dropped from $870,213 to $529,447. Comparison follows:

Working Capital

	1934	1933
	$	$
Current assets	2,216,930	1,856,393
Current liabilities	1,687,483	986,180
Working capital	529,447	870,213
Ratio	1.31—1	1.88—1

The increase in current liabilities was chiefly due to the increase in bank loans to $1,052,358 from $538,257. Current assets showed a decrease of inventories to $773,709 from $915,925 but an increase in advances and expenses on account of woods operations to $838,552 from $356,850, reflecting increased activity.

$260,000,000 FEDERAL LOAN SEEN IN FALL

(Continued from page 1)

000 to be applied against other Government bonds.

School Bonds Renewed

The school lands debentures, which matured July 1, were automatically renewed. These debentures are a special security got out by Ottawa to provide investment for capital sums realized by the sale of school lands in the three prairie provinces.

This leaves four items in the year's programme. It is probable that the treasury bills maturing Aug 1 will be renewed for another year. The $60,000,000 issue maturing at New York on October 1, will likely be renewed. The Financial Post, on July 7, said that this course would probably be followed and information here confirms that view. It is also probable that the same course will be followed with the November treasury notes. These will likely be renewed.

This leaves the $222,216,850 Victory Loan and the $25,950,000 of treasury bills to be dealt with. Undoubtedly the Government hopes to make a major saving in interest charges on the conversion of the Victory bonds.

To begin with the treasury got an excess of some $35,000,000 on the British market. This will meet the $25,950,000 of treasury bills issued in March and April and maturing in October and November. The other short term items will probably be extended and the Government will face the Victory Loan with some $10,000,000 cash in hand.

The net requirements of the Dominion this fall, therefore, will be some $212,000,000 for the balance of the Victory Loan and whatever sum may be necessary to meet the year's deficit. Refunding of the Victory Loan does not entail raising of new money.

The deficit, undoubtedly, will be much lower than last year. Gains in revenue promise to wipe out the deficit on current account. There will be a substantial reduction in expenditures on direct relief, and the earnings of the National Railways promise certain easement in the railway deficit. Bearing these factors in mind it is probable that the Dominion loan may run to $260,000,000.

Assets exceeding liabilities to the public by $76,000,000.

MODERN, EFFICIENT BANKING SERVICE ... the outcome of 116 years' successful operation.

BANK OF MONTREAL
Established 1817

May Be Dividend For Brewing Corp. Preferred Stock

Judging by results of first 8 months of Brewing Corp. of Canada's fiscal year, according to an official statement, earnings may approximate $1,000,000. This allows for some increase in sales in the final quarter of the year, that is, the quarter ending October 31, 1934, because operation will be under the new provincial laws. Such a sum would be ample to provide for interest charges and depreciation and possibly a dividend on the preferred stock.

The company will publish a quarterly statement of position and earnings in August for the quarter ending July 31 and such quarterly statements will be a part of its policy hereafter. Proclamation of beer and wine sale on a freer basis brings near the new regime. Regulations have been adopted this week by the new Ontario Government and now comes a longer period to work them out in actual sales over the whole province.

The companies are not getting all the outlets that they hoped a month ago and there is some doubt as to the effect on sales of the decision not to permit advertising at present. The retail price of beer has been decreased 10 cents a case of 12 quarts and 5 cents a case of 12 pints. That may stimulate sales a little.

ARDEEN FINDS VEIN ON 875-FT. LEVEL

Will Sink Shaft Another 500 Feet on Former Moss Property

In a progress report issued over the signature of Henry G. White, President of Ardeen Gold Mines, formerly the Moss Gold Mines, shareholders are informed that deep level developments have met with some spectacular results. In a series of wires from N. O. Lawton, engineer in charge, it is claimed that work on the south drift of the new level which was opened recently at 875 ft. has uncovered a vein 5 ft. in width, carrying spectacular heavy filled gold showings and tellurides. Lawton claims that both heavy gold nuggets and seams of heavy solid gold over a foot in length and up to ¼ in. thick have been found.

The shaft is now down to 1,000 ft. and it will be the policy of the company to continue sinking for another 500 ft. as rapidly as possible, Mr. White states. The necessary guides are completed to bring the cage to the 875 ft. level, and work is now under way to bring it to the 1,000 ft. level. Ore from the 875 ft. level is being now passed through the mill.

Ardeen Mines was formed late in 1933 after several attempts to assist the old Moss Gold Mine out of its financial slough had failed. The company owns one of Ontario's earliest gold and silver mines, known as the Huronian Mine in the Thunder Bay District of Ontario. Under the guidance of the former Moss Gold Mine, rehabilitation of the old mine was completed in March, 1932, and the property brought into production on a basis of 100 tons daily. Initial production was not profitable, and a capital reorganization was authorized

MARITIME RIGHTS WILL BE STUDIED AT OTTAWA MEET

Subsidies and Other Allied Matters Placed on Agenda

MONTREAL.—The fight of New Brunswick, Nova Scotia and Prince Edward Island for equitable treatment under the terms of Confederation, appears to be closer to fruition with the announcement that the claims would be considered at a conference to open in Ottawa at the beginning of next month.

For many years the three Maritime Provinces claimed that they had not received fair treatment under the terms of Confederation. In 1925 these claims received wide publicity when St. Andrew Rae Duncan, head of a Royal Commission, investigated the status of the three Maritime Provinces within the Dominion.

Pay Increased Subsidies

Following the investigation of the Duncan Commission it was recommended that Dominion Subsidiaries paid to the Maritimes be increased immediately by $875,000 to Nova Scotia, $600,000 to New Brunswick and $125,000 to Prince Edward Island.

This was only a temporary interim increase, the Commission recommending a complete investigation of the claims feeling that the Atlantic provinces were entitled to more than they were receiving. That investigation has never been made, but will likely be brought to some definite understanding at the forthcoming conference.

SEE SHORTAGE OF FOODSTUFFS IN PRICE RISE

(Continued from page 1)

more and heavy inroads might have to be made on wheat stocks to furnish poultry feed. The United States can feed itself for the coming year only by reducing reserves to a very thin margin, and if by any chance this year should be followed by another one of short production it would have to make heavy demands on the rest of the world for food.

Rye Yield Small

In Europe the rye and barley crops are both short, Roumania, besides her shortage of wheat will have a deficiency in both corn and barley, both of which she ordinarily exports importantly, and a reported extremely short potato and root crop may possibly put her population in distress for food. A shortage of these latter crops in the rest of Europe may quite possibly increase the need for breadstuffs.

Statistics on such crops are much less carefully collected than those concerning wheat, but a suggestion in a German dispatch that it may be necessary to ration potatoes and breadstuffs indicates that a real shortage is decidedly possible. With the winter rye crop in process of harvesting or shortly to be harvested, food of course is bound to be plentiful for a long time yet. Not until well on into the winter will it be possible to tell from the scale of European buying whether and to what extent there is anything serious about the domestic food situation in different countries.

Wheat Carry-over Situation

Only recently the International Institute of Agriculture at Rome calculated that the carry-over of wheat at the end of July would amount to over one thousand million bushels, at least four hundred million bushels more than would be considered normal for the period. The greatest drop from normal production is occurring in the United States, which has a sufficient carry-over of old wheat to assure it of ample wheat for internal use during the crop year and a sufficient carry-over into another year.

The greatest proportionate decline is in Roumania, and the Danubian states altogether will produce less than their normal consumption of wheat. But that would not of itself mean that they would have to import food or wheat, but rather only that they would be unable to contribute 50,000,000 bushels, as formerly expected, to the rest of Europe.

France Has Plenty

The decline in production in France is estimated at 100,000,000 bushels from the extraordinary heavy crop of 1933, but the carry-over of old wheat in that country, which up to a few months ago was causing grave concern, is sufficient to assure France of practically normal supplies of domestic wheat, and to make it doubtful if imports will be allowed on to any considerable extent.

Australia is expected to produce a short crop, a recent estimate being that it will not exceed 115,000,000 bushels, on account of reduced acreage and deficiency in rainfall, but the large quantity of wheat still in the Argentine assures that the southern hemisphere will be able to make substantial contributions to export markets during another year.

Careful Management

Conservative policies and a strict adherence to sound business methods are combined by this company with a sincere desire to render a high quality of real personal service.

A Conservative Trust Company for the Public's Service.

Crown Trust Company
393 St. James Street, Montreal

BID BY ORIENTALS FOR B. C. MARKET CAUSING CONCERN

Japanese Industries in B. C. Undersell Occidental

From Our Own Correspondent

VANCOUVER. — Japanese competition in industry continues to cause some alarm in British Columbia, although there has been no organized protest for some time.

The story of Japanese competition in fishing and in agriculture is now pretty well known. Less familiar to most people is the progress being made by Japanese in manufacturing industries in British Columbia. Those who have investigated the situation say that while tariffs have been effective in curtailing importation of low-priced Japanese goods, the country is not without its peril of trade competition by reason of the production under Oriental standards of an increasingly large volume of goods on Canadian soil. In British Columbia alone there are some 20,000 Japanese, and nearly all of them are engaged in some form of productive industry.

Problem Grows

"We aren't troubled so much by Japanese goods produced in Japan as we are by Japanese goods produced in Canada," an official of the Canadian Manufacturers' Association told The Financial Post. "We used to hear complaints about the dumping of Japanese rubber goods, toys and electrical articles, but tightening of our customs regulations has checked that movement. Our most serious problem now is the manufacturing being done right here by domiciled Japanese.

"There was a time not so very long ago when there were twelve to fifteen concerns operated exclusively by whites in Vancouver, manufacturing dress goods, cottons and so on. Today we have only two or three and they are barely making it go. Their place has been taken by Japanese piece-goods concerns which farm out their jobs to Japanese households where the work is done on an economic basis that white workers would not attempt to duplicate. Several of our largest stores, owned by whites, have been listed among the important customers of these Japanese organizations, and the result has been the crippling of a once healthy industry which supported hundreds of white people.

Enter Shipping Trade

"Japanese have recently entered the wooden and paper box trade. They have established three or four factories in Vancouver alone and they are manufacturing large quantities of containers for dairy and other products."

Japanese have also entered the shipyard business in British Columbia, depriving white boat builders of a once prosperous trade. Japanese operate scores of fishing boats and a few tugboats, and these boats are built largely by Japanese. This building of small craft may not seem important in itself, but in a sense it is the foundation of the shipbuilding industry on the Pacific coast and represents a field where white youths could serve apprenticeship.

B. C. PULP MILLS WORK TOP SPEED TO FILL ORDERS

Pacific Mills Improve Earnings — See Higher Prices

From Our Own Correspondent

VANCOUVER.—The Orient will continue to be an important customer of the Canadian newsprint and pulp industries, according to Oscar Jorgenson, secretary of B. C. Pulp & Paper Co., who has returned from a tour of Japan. He says that Japanese mill operators are endeavoring to utilize the forests of Manchukuo for pulpwood and that several mills have recently been established in the Japanese puppet state, but several years must elapse before these plants may be considered as a factor of importance.

Meanwhile all B. C. pulp and paper mills continue to operate at full capacity. Power River Co., it is understood, is taking steps to increase production to take care of steadily expanding markets. Heavy buying is reported from Shanghai and other Asiatic markets.

Expects Price Rise

Pacific Mills, Ltd., subsidiary of Crown Zellerbach Corporation, is also sharing in the Oriental trade and other business. A. B. Martin, president, anticipates an early increase in the price of newsprint on the coast.

"The reduction in revenue arising from the reduction in the price of newsprint paper June 1, 1933, of $5 a ton, bringing the sale price down to $40 a ton delivered at Pacific coast ports—the lowest in twenty years—was offset by increased volume of sales and prices of our other products and by increased efficiency and economies in operation," said Mr. Martin, speaking of his own mill as a typical unit in the industry on this coast. "Production costs, however, have now increased as a result of individual advances in the prices of materials and supplies and the restoration on May 1, 1934, of the scale of wages and salaries in effect prior to the general reduction in January, 1933. With these increased costs it is to be expected that operations will not be profitable so long as the price of newsprint remains at the present level."

Earnings Jump

Financial position of Pacific Mills, Ltd., operating newsprint mills at Ocean Falls and a converting plant at Vancouver, showed considerable improvement during the year ended April 30, according to the financial statement just issued.

Net profit after all charges including depreciation, depletion, bond interest and taxes was $182,808, compared with $36,242 for the previous fiscal year. The working capital position was well maintained and investments in government securities increased from $1,473,181 to $1,795,562 during the year. Bonded indebtedness was reduced to the extent of $33,800, leaving outstanding bonds of $2,774,200.

Total Civic Tax Arrears 51% of 1933 Tax Levies

Study of Finances of Municipalities Levying Two-thirds of Taxes Reveals Higher Arrears, Lower Current Collections—Woodstock Collections Best

Study of finances of 245 Canadian urban municipalities, with population of 2,000 or over, reveals that combined totals of tax arrears at Dec. 31, 1933, amounted to 51 per cent of the combined current tax levies, according to the Citizens' Research Institute of Canada. Tax sale lands acquired by municipalities are omitted from total arrears.

Total levies of the municipalities for 1933 were $198,831,289, or about two thirds of Canada's municipal taxation, and combined arrears for 1933 and previous years were $101,623,990, or 51 per cent of the levies. This compares with 43 per cent in 1932, and 31 per cent in 1930.

The total of municipal tax arrears, therefore, grew steadily throughout the depression. Reports on collections of prepayments, current taxes and arrears to date in 1934, obtained by The Financial Post, reveal improvement. But indications are that at the end of 1934 there will still be heavy arrears.

Current Collections

In 74 larger Canadian municipalities, for which the Institute has tabulated 1933 experience, the percentage of the current levy uncollected increased in all but six. Three of these, St. Boniface, Scarborough and Niagara Falls, are in default, and in the first two the 1933 levy was sharply reduced from the 1932 figure.

Best record of collections of current taxes, in the list compiled by the Institute, is that of Woodstock, Ont., with only 9.8 of the current levy in arrears at Dec. 31, 1933. Kingston is second with only 10.7 per cent outstanding. Ottawa stands third with 13.1; Granby fourth, with 14.1; Owen Sound fifth, with 14.5, and Kitchener sixth, with 14.8 per cent outstanding.

Comparisons With 1932

Comparison on 1933 tax collection results in the larger municipalities studied is as follows:

Comparison of Municipal Tax Collections 1933 and 1932

Municipality:	Population 1933 No.	% Current levy uncoll. at fiscal year end. 1933 %	1932 %	Incr. % uncoll. over 1932 %
Western:				
N. W'minster	20,000	23.7	19.1	4.6
N. Vancouver	9,000	39.4	32.4	7.0
Vancouver	243,711	29.1	25.0	4.1
Victoria	39,082	21.6	18.0	3.6
Burnaby Dist.	26,500	48.0	42.9	5.1
Calgary	83,362	26.3	23.0	3.3
Edmonton	79,231	25.6	23.3	2.3
Lethbridge	13,448	31.1	27.3	3.8
Medicine Hat	10,500	40.9	37.4	3.5
Moose Jaw	21,000	51.6	48.4	3.2
Regina	53,209	40.5	35.9	4.6
Saskatoon	43,291	43.7	38.5	5.2
Brandon	17,698	36.9	35.3	1.6
St. Boniface	16,393	41.9	50.0	*8.1
Winnipeg	221,242	34.4	31.4	3.0
Ontario:				
Belleville	13,899	24.4	22.1	2.3
Brantford	30,691	27.3	20.0	7.3
Cornwall	11,462	30.3	28.8	1.5
Chatham	16,284	30.6	29.0	1.6
‡E. Windsor	14,606	40.6	38.0	2.6
Ft. William	24,492	?	?	?
Galt	13,715	19.5	16.0	3.5
Guelph	20,882	30.9	29.1	1.8
Hamilton	154,276	23.3	18.1	5.2
Kingston	23,695	10.7	7.0	3.7
Kitchener	31,328	14.8	9.7	5.1
London	73,880	19.5	17.4	2.1
Niagara Falls	18,060	36.1	36.2	*0.1
North Bay	15,925	23.8	16.4	7.4
Oshawa	22,506	32.4	31.0	1.4
Ottawa	135,300	13.1	11.3	1.8
Owen Sound	12,894	14.5	12.8	1.7
Peterborough	22,850	16.7	12.0	4.7
Port Arthur	19,459	17.6	17.4	0.2
St. Catharines	26,394	24.6	18.3	6.3
St. Thomas	16,066	22.1	20.0	2.1
‡Sandwich	10,682	43.5	43.2	0.3
Sarnia	17,645	30.2	28.2	2.0
Sault Ste. Marie	23,386	26.8	23.0	3.8
Stratford	17,456	?	?	?
Sudbury	18.352	43.8	41.9	1.9
Timmins	17,436	31.5	30.5	1.0
Toronto	623,562	22.7	20.0	2.7
Walkerville	9,968	22.2	21.6	0.6
Welland	10,585	27.7	23.1	4.6
‡Windsor	62,216	47.2	45.0	2.2
Woodstock	10,968	9.8	8.6	1.2
York Twp.	68,223	46.4	41.0	5.4
Twp. E. York	36,202	45.6	41.4	4.2
‡Scarboro Twp.	18,848	50.2	53.2	*3.0
Etobicoke Twp.	13,601	45.0	41.9	3.1
Quebec:				
Granby	10,700	14.1	17.5	*3.4
†Hull	29,705	32.2	?	?
Joliette	11,336	25.6	21.1	4.5
Lachine	18,878	?	21.5	?
Levis	11,767	62.5	63.3	*0.8
Montreal	847,000	§35.2	33.6	1.6
Outremont	28,500	32.5	25.9	6.6
†Quebec	142,500	34.7	30.4	4.3
St. Hyacinthe	14,062	?	21.7	?
Shawin. Falls	16,307	?	?	?
Sherbrooke	29,023	39.7	39.4	0.3
Sorel	10,113	31.7	37.1	*5.4
Thetford Mines	10,680	?	11.8	?
Three Rivers	40,000	38.6	33.1	5.5
Valleyfield	12,953	35.6	?	?
Verdun	59,700	36.6	28.5	8.1
Westmount	26,000	22.7	15.5	7.2
Maritime:				
Moncton	21,139	26.5	24.8	1.7
Saint John	47,514	27.8	18.0	9.8
Glace Bay	21,000	41.2	28.9	12.3
†Halifax	59,275	24.6	20.5	4.1
Sydney	25,000	49.0	48.8	0.2
Charlottetown	12,361	?	26.9	?

*Decrease. †Year ends April 30. ‡Under supervision for 1933 budget, which may not include any, or only partial, debt charges. §At Dec. 31, 1933; fiscal year-end now April 30, and 29.6 per cent uncollected at April 30, 1934.

Trend of Increase

The study shows "the seriousness of the tax collection situation in many Canadian municipalities," according to the Institute. Trend toward higher tax arrears throughout Canada, and in both large and small municipalities is shown as follows:

Total Municipal Tax Arrears

Municipalities 10,000 or over population: Group:	% Total tax arrears (exclusive of tax sale lands, etc.) to current levy 1933 %	1932 %	1931 %	1930 %
Western (15)	51.2	42.7	35.4	29.7
Ontario (36)	42.0	34.9	28.3	24.5
Quebec (17)	65.8	56.2	42.1	40.7
Maritime (6)	44.8	37.1	36.6	33.7
Weighted average	50.6	42.4	33.8	30.2
Municipalities 2,000 to 10,000 population: Group:				
Western (30)	56.9	53.3	45.9	37.7
Ontario (90)	52.5	46.0	41.1	33.3
Quebec (20)	66.2	67.7	66.6	56.3
Maritime (31)	64.0	55.6	48.6	42.9
Weighted average	55.4	49.4	44.0	36.4

Late Collections

Figures in brackets indicate number of places in the group. Total arrears for Quebec municipalities and for Maritime municipalities under 10,000 population are higher because of late collection dates, it is believed. The Institute suggests that this could easily be remedied. It is noteworthy that only in the Quebec group of smaller municipalities was there an improvement in the percentage of total arrears in 1933.

Advice Offered

The study concludes with this advice:

"The Institute is hopeful that 1934 may show a better tax collection record. Municipalities, however, if they are to profit by the experiences of the depression, must not seize upon such an occurrence as an excuse to step up expenditures to the boom crescendo. Most of them still have a long and treacherous trail to travel before they reach a safe and secure position. They can best speed that day by mapping out some such course as the following:

"Stop thinking of new taxes and new sources of revenue as a solution of their problems.

"Resign themselves to the fact that the 1933 or a lower scale of taxation must be the maximum for the next few years.

Pay As You Go

"If 1933 cash revenue receipts were not sufficient to cover expenditures evaluate again the functions of their municipal government so that each necessary function gets its just share even if this means the abolition of desirable but not absolutely necessary functions.

"Make a careful study of the tax arrears situation and deal with each case in the light of the facts discovered with a view to reducing arrears so far as possible. Tax collectors should be all their name implies and not simply tax receivers and should receive the support of council in carrying out their duties.

"Study the methods used in valuation for taxation purposes in order to see that each property taxed is paying its just share to the municipal upkeep.

"Adopt so far as possible a 'pay as you go' policy, the real benefit of which is not in curbing improvements but in curbing the desire to incur expenses for the other fellow to pay."

Manitoba Potatoes

A slight increase is noted in the area of farm lands in Manitoba devoted to potatoes this year with 36,800 acres of plantings as against 36,400 acres last year.

FISHERY RETURNS BEST IN YEARS ON PACIFIC COAST

Conservation Methods Said Important Factor in Gains

From Our Own Correspondent

VANCOUVER. — A threatened strike in the salmon fishing industry of British Columbia has been averted, and the packers are expecting that the season now in full swing will be one of the most satisfactory in recent years.

Fishermen are being paid a higher rate than last year, receiving fifty cents for prime fish as against 35 cents last year. The only potential trouble in sight is competition from Japan and Russia, which have been a disturbing factor for some time through low cost production; but Empire preference and quotas have been a safeguard in several important markets, and most of the operators feel optimistic regarding the general returns.

Fisheries are returning a much larger harvest this year than in 1933, and sockeye salmon is so far more than double that for the same period last year. The pack of all varieties is almost double the total for last year.

Up to July 4 the pack of sockeye was 25,000 cases as against 11,350 cases for the corresponding period last year, and 18,688 cases in 1930, the first year of the present cycle. The total pack of all varieties of salmon was 46,272 cases at the beginning of this month, as against 23,440 a year ago.

Halibut Plentiful

Although the halibut season opened a month later this year, the catch in one area has been so great that fishermen have been notified that they exceeded their quota and must curtail operations. Even with the shorter season, the catch has been ahead of last year, the figure at July 4 being 15,272,162 pounds in Area No. 2, as compared with 14,608,369 pounds last year. In Area No. 3 the landings totalled 11,785,670 pounds, as against 10,041,684 pounds last year.

Conservation measures are said to have been largely responsible for the general increase in the fishing this year. Even the Fraser River, apparently threatened with extinction as a source of commercial fish because of the lack of international co-operation, is showing signs of revival and twelve canneries are now operating in that area.

TOURIST TRAFFIC UP IN NOVA SCOTIA

Atlantic Province Reports Marked Increase in Visitors

From Our Own Correspondent

MONTREAL. — Tourist traffic to Nova Scotia this year shows an appreciable increase over that reported in 1933.

Last month 6,126 tourist cars came into Nova Scotia by way of Amherst, Digby and Yarmouth. This compares with 4,507 cars during the same month last year, an increase of 35.9 per cent.

United States travellers make up a large part of the increase, according to an analysis of the figures.

Inter-provincial traffic, the value of which has been stressed in recent months and which has been the object of considerable development effort, also shows a marked growth. Ontario and Quebec cars entering Nova Scotia this year increased in number by 26.8 per cent.

Canadians Free of U. S. Tax Int. Telegraph Dividends

Dividends paid on stock, and interest paid on bonds, of the International Telegraph & Telephone Corp. during 1934 are to be regarded, for taxation purposes, as income from sources within the United States, according to a recent advice to the company from the U. S. Commissioner of Internal Revenue.

This means that such income, when received by non-resident aliens, such as Canadians, is not subject to U. S. income tax in 1934.

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"When G.M. does it *you know it's going to click . . .*"

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"Look at No-Draft Ventilation. Look at Knee-Action Wheels. Look at the way General Motors developed the idea of streamlining and did it in styles that say beauty as well as speed.

"That's sure calling the turns—and General Motors called all three."

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Utilities and Transportation

WESTERN CITIES UTILITY PROFITS SHOW ADVANCES

Mixed Experience in Collection of 1934 Taxes

From Our Own Correspondent

REGINA.—Public utilities of three western cities show increased earnings during periods reported covering four to six months.

Regina utilities surplus for six months ending June are $167,923 against $137,971 for 1933. The power department showed a surplus of $191,657, but subtracting $86,082 to cover tram system losses brought the total of all utility surpluses down to the $167,923 figure. A nickel fare was placed in force during February. Previous fare was seven cents. Fare revenue for six months in 1933 was $103,698 and for the same period this year was $11,613 less.

Edmonton Better

Edmonton utilities for the first five months showed a $351,795 surplus against $319,729 for the same period in 1933. Calgary utilities to the end of May reported $17,600 against $13,873 for 1933.

Tax collections in Moose Jaw, Regina, Calgary and Edmonton vary. Moose Jaw in a five month period reported $151,655 against $153,898 for 1933, Regina, $1,165,322 against $1,146,235 for a six month period. Calgary $2,436,645 against $2,524,645 for six months. Edmonton, $1,112,623 against $1,561,129 for six months in 1933. Delay in setting the mill rate is blamed for the slow paying of Edmonton taxes. Regina reports improvement in collection of tax arrears, the 1934 figure for six months is $195,278 against $146,942.

Debt Retirement

Regina will retire outstanding debentures and relief issues totalling $444,042 this year. Of this $362,842 covers maturing debentures for various works. The sinking fund will handle the debenture issue payments. Regina's total bonded indebtedness stands at $16,218,463 with largest amounts against the power plant, street railway and water works, general and improvements, $2,321,920 for power; $2,008,017, street railway; $3,137,088, for water works.

Saskatoon will retire a total of $463,453 in debentures. The largest payment which fell due July 1 totalled $334,939 met from sinking funds. The city held $151,929 of the maturing debentures. The remainder of the payment for this year is made up of three smaller issues already disposed of and one due in October.

Swift Current's application to have payment of the 1½ per cent debenture interest for 1933 delayed until the crop situation was better has been turned down by the Toronto committee which asks that payment be made as soon as possible. There is about $19,000 involved.

Southern Canada Power Records Revenue Increase

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co.'s earnings this year have been on a slightly larger scale than reported in 1933. Last month the company had a gross income of $176,102 compared with $163,896 for the same month last year. After deduction of operating expenses, net revenue last month was $111,157. This compares with $102,304 in June, 1933.

Cumulative returns for the nine months ended June, 1934, show a gross income of $1,645,308, operating expenses $586,150, and net income $1,059,158. During the corresponding period of 1932-33, Southern Canada had a gross revenue of $1,589,582, expenses $562,,844 and net income $1,026,738.

Winnipeg Electric Tram Traffic Gains

From Our Own Correspondent

MONTREAL.—Reflecting the upward trend of business, Winnipeg Electric Co. reports that the tramways system carried 626,909 passengers during the week ended June 2, compared with 615,609 for the corresponding week last year, an increase of 11,300.

Public Utility Earnings

Southern Canada Power

	1934	1933	Increase
June—	$	$	$
Gross	176,102	163,896	12,206
Oper. exp.	64,945	61,592	3,353
Net	111,157	102,304	8,853
9 months—			
Gross	1,645,308	1,589,582	55,726
Oper. exp.	586,150	562,844	23,306
Net	1,059,158	1,026,738	32,420

SAINT JOHN PORT BUSIER THIS YEAR

Volume of Traffic Handled First Six Months Ahead of 1933

From Our Own Correspondent

MONTREAL.—Total tonnage of freight passing through the Port of Saint John has shown a large increase this year to date over the corresponding six months period of last year, according to statement issued by the Saint John Harbor Commission.

During the first half of 1934, the port handled 973,358 tons of freight compared with 764,634 tons in the corresponding period of 1933, an increase of 208,724 tons.

Exports continue to show gains, shipments through the port last month totalling 27,104 tons, as against 23,644 tons during the same month last year.

Comparative figures on exports for the first six months of the year showed total of 642,739 tons for the first half of the year, compared with 476,042 tons for the first six months of 1933. Imports during the first half of this year totalled 330,619 tons, as against 288,592 tons for the corresponding period of 1933.

S. CAN. POWER AREA IS ACTIVE REPORT SHOWS

Company Sketches Picture of Increased Industrial Activity

From Our Own Correspondent

MONTREAL. — Industrial conditions in Southern Canada Power Co.'s territory have been on a very favorable basis this year, judging by reports made to the shareholders by the company for the quarter ending June 30.

In the statement sent to the shareholders this week, the management states:

"During the past quarter there has been a very substantial increase in industrial activity throughout the area we serve and many United States firms are giving the matter of Canadian branches close attention.

"At Actonvale, the Silk Industries of Canada have installed additional equipment to enable them to cope with increased orders.

"At Granby, all industries are working at full capacity and business conditions are improving.

"At Rock Island, both the Butterfield Co. and the Spencer Corset have taken on additional employees as orders are coming in regularly.

"At Farnham, Sobie Silk Shops are employing 140 hands. The American Wringer Co. is adding 75 h.p. to its connected load and taking on additional help. Collins & Aikman manufacturers of upholstering fabrics, Barry & Staines manufacturers of linoleums, as well as Dewy & Almy Chemical Co. manufacturers of chemical products are at present very busy and employing more labor than heretofore.

"At Adamsville, the B & D Silk Mills have installed preliminary equipment and have begun operations on a comparatively modest scale.

Employ More Workers

"At Cowansville, Footwear Findings Ltd. are employing 40 extra hands. The F. W. Vilas Co., manufacturers of school furniture, have recalled some 50 former employees and are also working overtime.

"At St. Johns, the Dominion Blank Book Co. manufacturing stationers, are enlarging their present plant to accommodate the St. Johns Paper Box Co. a subsidiary of the Dominion Blank Book Co. There is a noteworthy improvement in general business conditions.

"At Richmond, La Diva Shoe Co. manufacturers of women's footwear, have built an extension to their plant to take care of drying requirements. This company is also working overtime filling new orders.

"In Drummondville, the Dominion Silk Dyeing and Finishing Co. have inaugurated a department in which the dyeing of woollen goods is carried on. The Dennison Mfg. Co. manufacturers of tags and crêpe paper, have doubled their floor space. Canadian Celanese have increased their operations considerably. All industries are working full time and many are on night and day shifts.

Work on Distribution

"The distribution systems in Rock Island, Stanstead and Beebe have been reconditioned and the capacity has been increased in many sections of these municipalities. Major increases in the facilities for service in the Knowlton district have been made through a new substation and line constructed to connect Knowlton with the 13,000 volt transmission system at Sutton, thus providing duplicate service as well as greatly increased capacity. This will ultimately afford duplicate service for Sutton also. In Granby, a programme of reconstruction is being carried out to increase the capacity in various sections, particularly those whose recent growth has been more rapid."

DEMERARA POWER EARNINGS BETTER DUE TO EXCHANGE

International Power Unit Reports Progress Last Year

From Our Own Correspondent

MONTREAL. — Favorable exchange rates are reflected in the 1933 financial statement of the Demerara Electric Co., a subsidiary of International Power Co.

The income reveals that revenues of the company were slightly larger than in 1932, while operating expenses and taxes showed practically no change. Added to the improvement in net operating returns was a decline in exchange losses and other interest charges, which were partly offset by increasing the retirement reserve from $10,000 to $20,000.

Show Larger Surplus

Particulars of the profit and loss income account follow:

	1933	1932
	$	$
Gross earnings	237,438	230,020
Less: Expenses, etc.	113,779	113,818
Net earnings	123,659	116,202
Less: Bond interest	25,000	25,000
Other interest	48,510	50,398
Retire. reserve	20,000	10,000
Exch. loss	6,039	23,748
Balance	24,110	7,056
Previous surplus	445,999	437,445
Less: Tax adjust.	....	1,498
Carried forward	470,109	445,999

Cut Down Loans

At the end of last year the Demerara Electric Co.'s balance sheet showed assets totalling $1,964,969, compared with $1,966,230 in 1932. There is no change in the company's outstanding capital stock or first mortgage bonds. The latter amount to $500,000 and matured on November 1, 1929. All of these bonds are owned by the parent company.

Among the current liabilities it is noted that loans payable have declined from $545,503 to $501,071. Accounts payable, consumer deposits, show relatively little change from a year ago.

Reserves were increased during the year from $23,534 to $39,615, while surplus account now stands at $470,108 as against $445,998 in 1932.

Examination of the assets shows no particular change. Property account is carried on the books at $1,854,163, a slight increase from that reported in the previous year. Other changes among the assets are unimportant.

PORT OF HALIFAX SETS NEW RECORD

Increasing Tonnage Volume Handled Through Terminus

From Our Own Correspondent

MONTREAL. — Cargo tonnage handled by vessels through the Port of Halifax totalled 131,709 tons during the past month. This compares with 109,457 tons for June, 1933, an increase of 20 per cent.

Since the beginning of this year the total cargo tonnage handled by vessels through Halifax totalled 1,106,129 tons, compared with 750,968 tons for the same period of 1933, an increase of 355,161 tons, or 47 per cent.

The performance of the Halifax Harbor Commissioners' piers has been outstanding in that all-time records have been established in four out of the first six months of this year. The largest tonnage ever handled over the Commissioners' piers in the history of the Commission was reached in March of this year, when a total of 191,162 tons was handled. This compares with the next record month established last January when the cargo total reached 142,192 tons. The third record was established in February, with a total of 137,329 tons. Previous to 1934, the highest month on record was reported in February, 1929, with 136,099 tons of cargo.

It is also pointed out that the cargo tonnage handled over the Commissioners' piers for the first six months of this year totalled 685,594 tons, which was 6,766 tons more than was handled for the entire twelve months of 1932.

SEEK CONVERSION NEW BRUNSWICK RAILWAY'S BONDS

C. P. R. Leased Line Offer Cash or Perpetual Stock

From Our Own Correspondent

MONTREAL. — Holders of the 5 per cent first mortgage gold bonds of the New Brunswick Railway Co. have the option of having their bonds redeemed in cash on the maturity date of August 1, 1934, or of converting into 4 per cent perpetual consolidated debenture stock at the rate of £119 of stock for every £100 of bonds. Payment in sterling of interest on the stock is the unconditional obligation of the Canadian Pacific Railway Co.

New Brunswick Railway Co.'s property has been leased to the Canadian Pacific Railway for a term of 990 years from July 1, 1890, and forms part of that company's system. Under the provisions of the lease, the Canadian Pacific has undertaken the obligations made to the holders, interest on the company's perpetual consolidated debenture stock for the time being outstanding, during the term of the lease.

Details of Offer

In respect to the current conversion offer, an official announcement reads as follows:

"New Brunswick Railway Co. has outstanding £600,000 5 per cent first mortgage gold bonds, which mature on August 1, 1934, and which will be paid on that date, at their sterling face value, together with accrued interest, at the agency of the company in London on surrender of the bonds.

"The company, however, offers to holders of such bonds the right to convert their holdings into 4 per cent perpetual consolidated debenture stock of the company at the rate of £119 stock for every £100 bonds.

"Holders who accept the offer will be entitled to receive the half-year's interest due August 1, 1934, on the bonds surrendered for conversion.

Has Equal Rank

"The company has outstanding £904,533 4 per cent perpetual consolidated debenture stock and for the purposes of this offer this amount will be increased by the issue of a further amount of £750,000 stock. This further amount of stock will carry interest from August 1, 1934, but, subject thereto, will as from the date of issue rank in all respects pari passu with the outstanding stock.

"By virtue of the provisions of the Act authorizing its issue the perpetual consolidated debenture stock constitutes, after repayment of the above-mentioned £600,000 bonds, a first charge upon the whole of the undertaking, railway, works, rolling stock and all other railway property and effects of the company (except lands not used for the purpose of operating the railway) subject only to:

"(a) statutory working expenses and liabilities incidental to the operation of the railway, and

"(b) rentals in respect of certain leased lines of railway amounting in the aggregate to $36,780 per annum.

"The stock is registered and transferable in London on the company's register in amounts of £1 and multiples thereof.

"Holders of bonds who convert will be entitled to receive on July 25, 1934, in full satisfaction of each £100 bond surrendered for conversion, provisional scrip certificates to bearer for £119 perpetual consolidated debenture stock carrying interest at the rate of 4 per cent per annum from August 1, 1934."

QUEBEC POWER NET EARNINGS REGISTER GAIN

Lower Senior Expenses Offset Minor Decline in Gross

MONTREAL.—Though there was a seasonal decline in gross revenues, and an actual decrease from the corresponding figures for 1933, Quebec Power Co.'s net income in the second quarter of 1934 shows a moderate gain over that for the same three months last year.

According to an official statement issued by the company gross income in the second quarter of 1934 amounted to $895,435 compared with $930,755 in 1933. Due to a reduction in operating expenses, exchange premium on bond interest, etc., surplus before depreciation and income tax totalled $221,064, or approximately $12,000 more than during the same quarter of 1933.

Show Larger Surplus

Particulars of the income for the second quarter of 1934, with comparative figures for the same quarter in 1933, follow:

	Second Quarter 1934	1933
	$	$
Gross revenue	895,435	930,755
Oper., taxes & other expenses	521,578	568,720
Exch. on bond int.	660	5,795
Fixed charges	152,133	146,695
Surplus before dep. & income tax	221,064	209,545

Improvement in Net

For the first half of 1934 Quebec Power Co. had a gross operating income of $1,868,258, as against $1,899,688 for the same period in the previous year.

Examination of the prior charges reveals a reduction of around $70,000 in operating expenses, taxes and other expenses; decline in exchange premium on bond interest from $23,529 to $4,073, with fixed charges remaining about the same.

After deducting all senior charges, surplus before depreciation and income tax in the first half of 1934 totalled $486,771. This compares with $442,587 for the corresponding period of 1933.

Particulars of the half returns for 1934 and 1933 follow:

	First 6 Months 1934	1933
	$	$
Gross revenue	1,868,258	1,899,688
Oper., taxes & other exps.	1,073,147	1,140,181
Exch. on bond int.	4,074	23,529
Fixed charges	304,266	293,391
Surplus before dep. & income tax	486,771	442,587

Bell Telephone Stock Holders Number 20,410

MONTREAL.—Bell Telephone Co. of Canada's shareholders at the end of last March numbered 20,410, according to a statement accompanying the current quarterly dividend check. It was further pointed out that of this number 93.6 per cent live in Canada, and 1.6 per cent in the British Isles and other parts of the Dominion, making a total of 95.2 per cent numerically.

The distribution of share holdings does not bear the same relationship. The American Telephone and Telegraph Co.'s holdings March 31 last were 24.3 per cent of the total stock issued. Other holdings in the United States and foreign countries were 4.4 per cent.

More than half of the shareholders are women.

LANGLEY'S HAS HIGHER PROFITS AND MORE CASH

Expect Declaration of Preferred Dividend Due Aug. 15

Langley's Ltd., operating cleaning and dyeing plants in Toronto, shows decided improvement in earnings for the first 24 weeks of 1934, compared with the same period of 1933, according to a mid-year report to The Financial Post.

Operating profits, before depreciation, amounted to $27,389 in the 1934 period, compared with $10,469 in 1933. Net income was $7,565 in the 1934 period, compared with a loss of $8,879 in 1933. Consequently, directors declared the first dividend on the seven per cent preferred stock since May 15, 1932, payable May 15, 1934. It is pointed out that operating profits, before depreciation, for the six months were also sufficient to cover the payment of the dividend of 1¾ per cent due Aug. 15 next.

Expect August Payment

Since working capital has been increased and the improved earnings are expected to continue, it is anticipated that the August dividend will also be paid, The Financial Post is informed.

The improvement in earnings, which started about a year ago, is shown below:

Profit and Loss Account

24 Weeks Ended	June 16 1934	June 17 1933
	$	$
Net oper. profit	27,389	10,469
Less: Int. & exch.	152	658
Depreciation	20,807	20,694
	6,430	*10,883
Add other income	1,135	2,004
	7,565	*8,879
Less: Pref. divds.	9,900	....
Deficit for period	2,335	8,879
Prev. surplus	84,682	95,318
Less sundry adj.	719	556
Earned surplus	81,628	85,884

* Loss.

Working Capital Up

Working capital was increased nearly $22,000 in the year to June 16, and is indicative of the ability to pay dividends, as the following comparison shows:

Working Capital

	June 16 1934	June 17 1933
	$	$
Current assets	155,592	140,444
Current liabilities	29,307	36,130
Working capital	126,285	104,314
Ratio	5.30—1	3.88—1

Payment of the May and August dividends leaves the preferred stock 12¼ per cent in arrears. This amounts to $69,288 on the $565,700 of the stock outstanding. The shares are currently selling at about $54, compared with a low of $25 and a high of $63 this year.

Balance Sheets

Comparison of the balance sheet at June 16, 1934, with that at June 17, 1933, shows that the major changes are the increases in working capital and in reserves for depreciation. Cash on hand increased from $10,230 to $19,614, and accounts receivable from $33,571 to $40,274, after reserve, indicative of more active business. Only current liabilities were accounts payable. Reserves for depreciation rose in the year from $282,028 to $326,034. Fixed assets in the same period increased only $2,770, to $1,308,108.

Preferred stock outstanding was reduced by redemptions to $565,700 at June 16, 1934, compared with $569,700 at Dec. 31, 1933, and $578,200 at June 17, 1933.

Price Situation

The Toronto city council has passed a by-law fixing maximum and minimum prices for the cleaning and dyeing industry in the city. C. F. Mayes, vice-president and general manager of Langley's, informs The Financial Post that the company has not experienced any benefit from the by-law yet, but that autumn business should be better as a result of it.

A number of the larger firms in Toronto are now operating voluntarily on the new scale, it is understood. Low-priced work has been widespread in Toronto for two or three years. The price-cutting is understood to have been so extensive in the last three years that numerous firms were forced to reduce prices and even to operate at a loss. The only alternative was loss of the business.

DOMINION SQUARE SOLICITS DEPOSITS

Montreal Realty Company's Income Covers All Expenses

From Our Own Correspondent

MONTREAL. — The bondholders protective committee for Dominion Square Corp. has sent out official notice, saying that bonds will be accepted up to August 31, 1934. To date, the committee reports deposits of approximately 57 per cent of the outstanding bonds.

As far as the corporation itself is concerned, the rental situation does not show any material change. Property taxes and operating expenses have been paid to date and, at present, the company is accumulating a small surplus which is available for bond interest.

Footwear Exports Grow

Exports of Canadian-made leather footwear during the five months ended May 31 were more than double those of the previous similar period, at 36,857 pairs, valued at $121,436, compared with 16,911 pairs valued at $50,191.

WESTERN SUPPLY PIPES FIRST GAS TO TOWN IN SASK.

Locally Owned Lloydminster Well is Source of Supply

From Our Own Correspondent

REGINA.—Work has started on the first Saskatchewan gas piping project. The Western Supply Co. is transporting from Western Canada five miles of 4½-inch mains and three miles of smaller diameter feeder pipes to supply the town of Lloydminster with gas from the locally owned Lloydminster Well No. 1 which was blown in Good Friday one mile north of the town. The flow has been officially registered at 16,750,000 cubic ft. each 24 hours. Further wells will be drilled on other parts of the structure.

About 20 miles south of Lloydminster the Altoba Gas Exploration Company is down 1,708 ft. with gas reported in an encouraging quantity. The test hole will be widened to allow a gas flow in commercial quantity.

Pine Hill Petroleums reached a depth of 2,949 ft. before winter set in and drilling is now being resumed with heavier equipment to sink a test well to 4,000 ft. This well is being drilled at the foot of the Missouri Coteau. The company spent at least $10,000 on geological surveys before drilling.

Blackfoot Gas and Oil Company, 17 miles south and west of Wilcox is drilling from the 715-ft. level to 2,500-ft. Twin Provinces Gas and Oil Company is deepening its well from 300 ft. to 2,300 ft. where a gas and oil horizon is expected. Trail Blazer Gas and Oil Company near Hudson Bay junction is drilling from 292 ft. where work ceased last winter. Tests are under way in the Riverhurst field where shallow wells have shown a small but persistent gas flow. The Aladdin Gas and Oil Company, Regina, is reorganizing and intend to extend the Pilot Butte well, 10 miles from Regina from 2,823 ft. the depth reached when work ceased in 1931.

The Simpson Gas and Oil Company which encountered salt brine at 3,500 ft. and is now commercializing it at the rate of five to seven tons of coarse salt per day has drilled five shallow test wells with the object of selecting a gas and oil prospect.

Etchemin Power Co. Will Surrender Charter

MONTREAL. — Application has been made to the Quebec Government for leave to surrender the charter of the Etchemin Power Co. This company is a subsidiary of Shawinigan Water and Power Co., control having been acquired a few years back from the Asbestos Corp. Absorption of this subsidiary by the parent company is in line with the policy established by Shawinigan some time ago.

Drummondville Expands

Sixty new houses are under construction at Drummondville and plans are made for ninety more. The population of this Quebec centre has increased since last fall from 14,000 to 16,000 people and continues to grow.

Higher Meat Exports

Canada's exports of meat in May were valued at $2,512,000, compared with $1,091,799 in the previous May, the increase being principally in bacons and hams which accounted for over $2,126,000.

Increase Wages

As a result of general business improvement the firm of Gagnon Brothers Limited, candy manufacturers at St. Stephens, announce an increase in wages of from 15 to 20 per cent.

Provincial Bonds To Yield 5% and Over

Province of Manitoba
5% Bonds due June 2nd, 1944
Payable in Canada and New York
Price: 100 and interest, to yield 5%

Province of British Columbia
4% Bonds due May 15th, 1941
Payable in Canada and New York
Price: 93.25 and interest, to yield 5.16%

Province of Alberta
5% Bonds due September 1st, 1955
Payable in Canada
Price: 97 and interest, to yield 5.23%

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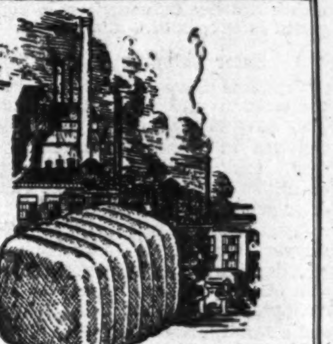

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INVESTMENT SUGGESTIONS

Western Provincial Government Bonds are, we believe, attractive. They command a ready market, provide the investor with good security, and are available today at prices which yield a substantial income return.

	RATE	MATURITY	PRICE	YIELD
Province of Alberta	4½%	1956	93½	4.98
Province of Alberta	4%	1957	87¾	4.88
*Province of Alberta	5%	1959	99½	5.05
Province of British Columbia	4%	1941	93¾	5.06
Province of British Columbia	5%	1948	98	5.20
Province of British Columbia	4½%	1969	92	4.98
Province of Saskatchewan	5%	1943	97½	5.35
Province of Saskatchewan	5½%	1946	101	5.39
†Province of Saskatchewan	5½%	1952	100¼	5.46

*Payable Canada, New York, London.
†Payable Canada only. Others payable Canada and New York.

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News of Investment Markets

CONFIDENT WAVE LIFTS BOND PRICES TO HIGHER LEVELS

Western Provincials Jump 1 to 4 Points With Good Demand

A wave of returning confidence swept Canadian bond prices upward in the week ended July 17. Particularly encouraging were broad advances among western provincial issues, gains ranging from one to four points in good demand. The improvement in quotations extended to all classes of bonds, instead of being confined largely to gilt-edged issues as has been the case of late.

Gilt-edged bonds continued their recovery to within striking distance of the best levels of the year. This is shown in the rise of the average price and decline of average yield on seven bonds as compiled by The Financial Post:

Average Yield and Price for Seven High Grade Canadian Bonds

	Yield %	Price $		Yield %	Price $
July 17	3.846	110.07	July 11	3.850	110.01
July 16	3.841	110.14	July 10	3.861	109.89
July 15	3.841	110.14	July 9	3.876	109.68
July 13	3.841	110.14	June 29	3.956	108.84
July 12	3.843	110.11	June 15	3.904	109.39

Western Issues Jump

Western provincial issues made the best showing since last summer. The improvement is explained by a dearth of satisfactory yields on other Government securities, and improved crop and budget prospects, as compared with last year, in the four provinces. The effect on the bonds is shown below:

Western Issues Rise —Bid Prices—

Issue		July 17	July 10	Ch.
*Alberta	4½'s '56	92	89½	+2½
Alberta	6's '47	103½	102½	+1
*Br. Columbia	4½'s '53	91	88½	+2½
Br. Columbia	6's '47	102½	101	+1½
†Manitoba	5's '59	97½	96⅞	+ ⅝
Manitoba	6's '47	103½	102½	+1
*Saskatchewan	5's '59	94	90	+4
Saskatchewan	6's '52	102	100	+2

*Payable Can., U.S. †Payable Can., U.S., U.K.

Corporation Bonds Up

Corporation bonds participated in the advance along a broad front. C. P. R. 5's of 1954 got up to 100½ for a gain of a full point on the bid side of the market. Gatineau 5's of 1956, among the bell-wethers of the market, were up two points to 95½ bid. Another leading issue, Shawinigan 4's of 1970 gained 1¾ points to 93¼. Among more speculative issues, Canadian Vickers 6's of 1947 gained six points to 54½.

Particular satisfaction is felt in financial circles over the performance of the more highly regarded corporation issues. Gains in lower-priced bonds are considered indicative of speculative enthusiasm. But the advances of western provincial bonds and better grade corporation issues are believed to indicate a strong and growing investment demand.

Mexico Tram. Meeting Adjourned to Aug. 10

Meeting of holders of five per cent first mortgage bonds of Mexico Tramways Co., called for July 16 at London, England, to consider a scheme of distribution of assets of The Mexican Light & Power Co., has been adjourned to Aug. 10.

The scheme was adopted by $4,885,400 to $28,000 of bonds at the meeting on July 16, but on a technical question of whether certain bonds should be included in the quorum, the meeting was adjourned as a precaution.

No quorum will be necessary at the adjourned meeting, and bondholders present may accept the scheme and make it binding on all bondholders. The plan was outlined recently in The Financial Post.

Dawes Loan Trustees Block German Funds

Trustees for the German Dawes loan bonds, the 7's of 1949, have announced their intention to block German revenues from customs duties and taxes on beer, sugar, tobacco and brandy. This is a retaliatory measure against the recently announced moratorium on the bonds. The revenues were pledged for the service of the loan in 1930.

The action was taken because the July 15 interest on the loan was paid in reischmarks instead of in foreign exchange, trustees stated. The Young Plan bonds, 5½'s of 1965, are not concerned because revenues are not pledged in their favor.

The German Government has announced its intention to take defensive measures. This is taken to indicate possible confiscation of a deposit of some 4,300,000 reischmarks at the Reischbank for the service of the Dawes loan.

Bond Sales

Brantford

City of Brantford has sold $100,000 of 4½ per cent, 10-year serial bonds for relief purposes to D. O. Johnston & Co., Brantford, at 100¼, a cost basis to the city of about 4.45 per cent. Bids were as follows:

	Bid
D. O. Johnston & Co.	100.25
Wood, Gundy & Co.	100.22
Bell, Gouinlock & Co.	99.41
Dominion Securities Corp.	99.00

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	§5%	1942	Nov. 1	105
Rowntree Co. Ser. A	6%	10-yr.	Aug. 1	
Can. For. Invest.	7%	1949	Aug. 1	105
Walmsley, Chas.	6%	1943	Aug. 1	103
Steel of Canada	*6%	1940	Aug. 1	...
Dom. Canners	*6%	1940	Oct. 1	110

*$383,820 purchase of bonds for retirement.
*$85,000 for sinking fund.
§Purchase of bonds for sinking fund.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	363.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	38.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.5	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
Weekly Figures, 1934:										
July 5	102.0	10.8	72.8	159.9	74.9	131.1	124.0	125.4	52.1	92.1
July 12	102.6	10.4	72.9	159.6	74.4	130.1	118.5	125.3	52.3	92.0

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 17 close	96.85	127.29	94.04
July 16 close	97.94	126.28	94.70
Week ago	99.64	126.42	92.58
Month ago	104.94	124.15	95.24

Distillery Stocks Softer

SHARES of Canadian Industrial Alcohol, Distillers - Seagrams and Hiram Walker-G. & W. have followed Brewers and Distillers of Vancouver on the toboggan.

The suit launched at Seattle against officials of Brewers and Distillers for non-payment of heavy U. S. taxes on liquor allegedly shipped into the United States over several years is not directed against the company, as The Financial Post pointed out last week. Nevertheless, it weakened the stock sharply.

Investors are not so much frightened by the suggestion that some claim might be registered against Brewers and Distillers if the American suit against the officers is successful, as they are at the surmise that the Seattle suit may only be a test case, and that if the U. S. government is successful, suits may be launched against interests close to some other large Canadian distillers. The question would still remain, of course, as to whether such suits would have any bearing on the affairs of the companies.

In any event the proceedings at Seattle are claiming close attention of investors in distillery shares. Investors are also discouraged over the delay of the United States government in lowering the duty on whisky. Federal officials assured distillers this would happen before the President went away. He has gone and now they wonder if it ever will. The only comment by one close to the situation is, "It will have to come down or they will never beat the bootlegger."

* * *

Langley's Earns Dividends

PUBLICATION of earnings for Langley's Ltd. for the 24 weeks to June 16 reveals that preferred dividends are now being earned, but that depreciation is not fully covered. Although payment of the May dividend and charging off of depreciation reduced surplus slightly, working capital has increased. And the August dividend is expected to be paid.

Possible adoption in Toronto of a scale of fixed prices for cleaning and dyeing, which has already been approved by the city council, might allow the company to earn both depreciation and preferred dividends. The general improvement in business conditions also has an important bearing on earnings. The preferred stock is offered at about 54 where it yields nearly 13 per cent. There is also 12¼ per cent of arrears which may ultimately be paid.

* * *

M. & O. Paper Reorganization

CREDITORS remain in the saddle in the fight for control of Minnesota and Ontario Paper Co. Minneapolis federal court has ordered consolidation of creditors' and debtors' petitions for reorganization of the company under the new U. S. bankruptcy law. This means that the petition of debtors for complete control of the reorganization proceedings has met with a serious rebuff.

C. T. Jaffray and R. M. Robinson, the present receivers, have been appointed temporary trustees of the property pending a court hearing of creditors and stockholders July 30.

The trustees have been given full authority to take over and operate the property subject only to the order of the court.

NEW BRUNSWICK POWER EARNINGS EASIER FOR 1933

Federal Traction Extends Further Assistance Last Year

From Our Own Correspondent

MONTREAL. — New Brunswick Power Co.'s income and surplus statement for 1933 does not differ materially from that reported for 1932 in that net income was not sufficient to cover all interest and discount charges. At the same time the surplus account reveals an appropriation of $100,000 for bad debt reserve and which has been used to write down accounts receivable.

Gross earnings of the company last year totalled $715,863, or 6.2 per cent less than reported in 1932. Some savings were made in operating expenses, leaving net income at $173,997 or 4.1 per cent less than in 1932. After providing for all charges, the income account shows a deficit of $49,415, or $8.078 more than in 1932.

Net Loss Greater

Particulars of the income account follow:

	1933 $	1932 $
Gross earnings	715,863	763,454
Operating expenses: (Not includ. federal income tax)	541,866	581,051
Federal inc. tax	......	961
Net earnings	173,997	181,442
Int. & disct.	211,413	207,286
Prov. for retireemnts	12,000	15,493
Net loss	49,415	41,337
Earned surplus	202,575	241,119
Plus adjust. for years prior to 1931 & 1932	5,643	......
Plus profit on bonds purchased by S. F.	8,198	2,792
Less res. for bad debts	100,000	......
Earned surplus	67,001	202,574

Parent Company Advances

At the end of last year New Brunswick Power's balance sheet revealed assets totalling $7,594,556, as against $7,651,056 in 1932. The principal change among liabilities is the increase in advances from the parent company—Federal Light and Traction Co. Notes payable to Federal Traction are unchanged at $1,761,749, but open account advances increased from $90,710 to $166,722.

Capital stock outstanding remains the same, while the funded debt declined during the year from $1,740,000 to $1,715,000.

Current liabilities do not show any material difference. Various reserves have been cut into, while the earned surplus has been reduced from $202,575 to $67,001.

Among the assets three changes of interest are noted. Fixed assets have increased in value from $7,258,315 to $7,273,903. A new item—other investments— appears on the books at $12,500. Accounts receivable stand on the books at $183,280 compared with $252,030 in 1932. In the 1933 report consideration is given to the reserve of $100,000 set up against bad debts and applied against accounts receivable.

Would Change Loew's Directors At July 27 Meet

A committee of shareholders of Marcus Loew's Theatres formed last year has sent a notice to shareholders calling a special meeting at Toronto on July 27. Proxies have been requested so that a new board may be elected at the special meeting.

The committee charges that the directors did not call the annual meeting at the proper time and only called the general meeting on July 18 when representations by shareholders forced them to do so. The financial statements for the eight months ended Aug. 31, 1933, were presented at the meeting on July 18.

The committee reports that negotiations have been made with directors to take steps to pay arrears of preferred dividends and place the common shares on a dividend basis. The directors allegedly made a counter proposal to take the matter in hand, if the committee would consent to a new agreement between the company and Marcus Loew's Booking Agency. The committee contends that the proposed new agreement would affect prospects for earnings and common dividends adversely.

Subsidiary of S. A. Co. Enters Maritime Mining

A subsidiary of Consolidated Gold Fields of South Africa has actively entered into the gold mining industry of Nova Scotia. Minerals Limited with a fully subscribed capital of $250,000 and with head offices at Halifax has started operation on the Boston Richardson Mine at Goldboro at the Cochrane Hill Mine. Both these workings have been dewatered to enable underground operations to proceed and power plants set up on both properties.

Smelter at Trail Treats 8,811 Tons of Ore in Week

Ore received at the Trail smelter of Consolidated Mining & Smelting Co. for period July 1 to 7 inclusive was as follows:

Name of Mine:	Tons
Bell	48
Evening Star	14
First Thought	123
Gold Drip	7
Golden Eagle	2
Goodenough	60
Highland Lass	50
Knob Hill	107
Kootenay Belle	43
Reno	29
Trevitt	105
Wellington	43
Yankee Girl	182
	813
Total company	7,998
Grand Total	8,811

Bagotville to Pay Interest From May 1 to Oct. 15, '32

Town of Bagotville, Que., has been authorized to deposit funds to cover payment of coupons due from May 1 to October 15, 1932, inclusive. Creditors, therefore, are requested by the Quebec Municipal Commission to present such coupons for payment.

U. K. Commissioner

SIR FRANCIS L. C. FLOUD
Who has been appointed U. K. High Commissioner in Canada to succeed Sir William Clark, recently transferred to South Africa.

SHAWINIGAN NET INCOME HIGHER THAN YEAR AGO

Returns for First Half of 1934 Indicate Good Gain

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s earnings for the second quarter of 1934, as forecast in The Financial Post last week, are appreciably greater than those for the corresponding period of 1933, while cumulative returns for the half year show an increase of approximately 25 per cent in surplus.

Gross revenue during the past quarter totalled $3,025,789 compared with $2,836,540 for the corresponding period last year. Examination of the senior charges shows a general reduction, particularly in connection with the premium paid on the purchase of foreign funds to meet fixed charges. Surplus after all charges, but before depreciation and income tax, totalled $856,597, as against $630,384 in the second quarter of 1933.

Reveal Larger Surplus

Particulars of the income account for the second quarter of 1934 and 1933 follow:

Three Months Ended June 30

	1934 $	1933 $
Gross revenue	3,025,789	*2,836,540
Expenses:		
General, oper. and maintenance	570,913	532,187
Power purchased	371,078	§418,621
Water rentals	93,347	76,154
Taxes & insurance	164,797	169,141
Exch. on fixed chgs.	9,761	131,756
Net oper. revenue	1,815,893	1,508,681
Fixed charges	‡959,296	†878,297
Surplus before deprec. and income tax	856,597	630,384

*After deduction of $150,000 representing charge on capital cost of work under construction, but eliminated from gross revenue in the annual report for 1933.
†After deducting $150,000 as above noted (not deducted in 1933).
‡After deduction of $75,000 being interest on capital cost of work under construction at the rate of $300,000 per year.
§Includes U. S. exchange of $40,913.

Further Gain Shown

Cumulative returns for the first half of 1934 reveal a substantial gain in surplus earnings compared with the returns for the first six months of 1933.

Gross income totalled $5,942,569, as against $5,687,743 in 1933. Operating and maintenance expenses were somewhat higher during the period, but these were offset by savings in power purchases, taxes and insurance and exchange charges.

Surplus earnings for the first half of this year totalled $1,572,614, in comparison with $1,223,330 for the same period in 1933. In both cases the figures reported are before depreciation and income tax.

Details of the half yearly income statements for 1934 and 1933 follow:

Six Months Ended June 30

	1934 $	1933 $
Gross revenue	5,942,569	*5,687,743
Expenses:		
General, oper. and maintenance	1,128,945	1,058,453
Power purchased	760,937	§855,225
Water rentals	180,990	167,412
Taxes & Insurance	327,837	341,422
Exch. on fixed chgs.	52,654	285,503
Net oper. revenue	3,491,206	2,979,728
Fixed charges	‡1,918,592	†1,756,398
Surplus before deprec. and income tax	1,572,614	1,223,330

*After deduction of $300,000 representing charge on capital cost of work under construction, but eliminated from gross revenue in the annual report for 1933.
†After deducting $300,000 as above noted (not deducted in 1933).
‡After deduction of $150,000 being interest on capital cost of work under construction at the rate of $300,000 per year.
§Includes U. S. exchange of $100,615.

Ontario Loan Of $40,000,000 Expected Soon

Province of Ontario will shortly float a loan of about $40,000,000, it is reported. Short term loans and treasury bills outstanding will require about this amount of funding, it is understood.

There was an issue of $2,000,000 of four per cent serial bonds that matured June 1. There have also been some smaller serial maturities, to pay which short term debts may have been created. Earlier reports anticipated a loan of about $25,000,000.

Although the bond market has had its usual summer quietness, the strength of gilt-edged bonds is taken to indicate that the present is a favorable time for a flotation. Ontario 4½'s of 1950 are selling at 106, yielding about 3.98 per cent. It is believed that 4's might be placed at 100, or slightly more, which would be the lowest cost basis for an Ontario loan floated in Canada since pre-war times. The low rate that will be obtained "will astonish the people" Hon. Duncan Marshall, Minister of Agriculture in the new provincial Ontario Government stated recently.

A lower cost basis than four per cent might be obtained successfully by using a low coupon rate and offering bonds at a discount, or by selling short term bonds, it is believed.

Town of Summerside Wins at Tax Collecting

P. E. I. Centre Also Mecca of World's Fox Fanciers

The little town of Summerside, Prince Edward Island, leads Canada, with the lowest per capita tax arrears of any municipality in the Dominion, according to available information.

The per capita arrears of 1933 taxes at the end of that year were 35.9 cents. Per capita total arrears were 92.7 cents. These figures are based on the 1931 census, and would probably be less, if allowance were made for a slight increase in the population of 3,914.

Measuring the tax collections another way, Summerside collected 96.4 per cent of its current levy in 1933.

The town's exceptional record was brought suddenly to light after a news dispatch had gone from coast to coast giving another municipality credit for the lowest per capita tax arrears. Summerside's record apparently hasn't been challenged.

Famous For Foxes

What kind of a town is it that has next to no tax arrears?

Summerside has another important claim to fame. In Leipzig, Paris, New York, Montreal, Winnipeg, and other great cities the town is known as the Mecca of silver fox fanciers. It is the headquarters of the Canadian National Silver Fox Breeders' Association, and the Dominion Experimental Fox Farm, and from Summerside commercial breeding of the foxes has spread around the world.

Prince Edward Island is called "The Garden of the Gulf," and Summerside bears out the metaphor. A visit to the residential sections, situated on ground gradually rising from the harbor, gives ample evidence of this in the well kept homes, with splendid lawns, shrubbery and flowers. The streets are lined with shade trees.

Incorporated in 1875

Summerside is situated on Bedeque Bay off Northumberland Strait on the south side of the island. It was incorporated in 1875 as a tiny village, and has been closely identified with agriculture ever since. But silver foxes gave it much of its fame and fortune.

Today the town is a port of call for steamers from Montreal. It is an important shipping point for P. E. I. potatoes (of which central Canada residents ate plentifully last year) having a natural harbor and cheap and expeditious loading facilities. It is surrounded with fertile farm lands.

Big Fox Money

As the Mecca of fox buyers, it is estimated that $2,000,000 enters the province through Summerside each year. The town is the headquarters of three large organizations handling fox pelts. These marketing organizations handled, last season, about 58,000 pelts, which came not only from the ranchers of Prince Edward Island, but from all parts of Canada. It may be truly said that in no part of the world is there such a scene as to be found in Summerside during the fur season. People coming and going, bartering their pelts for cash; buyers from London, Paris, Leipzig, New York, Montreal and Winnipeg buying pelts and thousands of dollars changing hands every day. Much has been written of the industry itself, of its history and its possibilities, but little has been revealed of the remarkable little town of Summerside, which, each year, sees fortunes in silver fox pelts passing along its streets and each week is the point of entry into Canada of "heavy lead."

Summerside has faith in the permanence of the feminine passion for fox furs. In many, many years this confidence has never been betrayed.

Has Many Improvements

The town is nearly as proud of its fine stores as it is of its famous foxes.

Despite its exceedingly small debt, Summerside lacks few of the improvements that most towns either boast of or dream about. It has four miles of paved streets, and 15 miles of paved sidewalks. It has a beautiful little park only a minute from the shops. It owns its airport. It has a radio broadcasting station, a golf club, curling and skating rinks, a race track, an abattoir and even a jail, which, however, is never crowded. And it has a court house, an armory, a post office and custom house, a modern hospital and other public buildings.

With all these things, however, the town's gross debenture debt is only $436,000. Sinking funds amounted to $160,050 at the end of 1933, leaving net debt at $275,950. Even this is larger than the burdensome debt because it includes $97,219 for water and electric systems that pay the town a good profit on the investment.

Budget Balanced

Moreover, Summerside's budget is in balance when all the accounts are included. Current revenue in 1933 was $67,463, and current expenditure $63,749, leaving a surplus of $3,714. Summerside's tax rate of 12 mills is believed to be the lowest in the Dominion for any comparable municipality.

While the town's 1933 tax record was remarkable, it is expected that this experience will continue. Already, all but $661 of last year's levy is in the civic coffers, and collections are reported excellent this year.

Yes, Summerside is quite a town.

ENGLISH ELECTRIC HAD SECOND LOSS IN ITS EXISTENCE

Maintained Strong Liquid Position — Business Gains in 1934

English Electric Co. of Canada net loss in 1933 was $141,935 after depreciation as compared with a loss of $111,276 in 1932. This was the second loss incurred in the company's history due to the fact that the demand for electrical machinery in 1933 was at the lowest ebb in many years. Douglas H. McDougall, chairman of the board, says there is now a brighter prospect with general business on the upturn. The development of mines is causing a new demand for electrical equipment of various kinds.

Consolidated Income and Surplus Account Years Ended Dec. 31

	1933	1932
Net earnings	§101,935	§71,276
Less: Prov. for depr.	40,000	40,000
Net loss	141,935	111,276
Less appropriations: Class A divids.	......	28,500
Deficit for year	141,935	139,776
Add: Previous surplus	246,593	386,369
Excess of red. price of 2,000 cl. A shs. over cost	......	70,267
Less: Pat. rights & goodwill w/o	......	70,267
Bal. carried forward	104,658	246,593

§ Loss.

A strong liquid position is maintained, current assets being 28 times current liabilities:

Working Capital

	1933 $	1932 $
Current assets	749,618	879,341
Current liabilities	26,326	35,692
Working capital	723,292	843,649
Ratio	28.46	24.64—1

Cash amounted to $533,207 and other current assets are of a highly liquid nature as well.

The reserve for depreciation stands at $729,326, a little more than one third the valuation of fixed assets, patent rights and goodwill.

During 1933 the company redeemed 343 Class A shares at a total of $14,680 below redemption prices, the difference being used in writing down patents and goodwill. There remain outstanding 37,657 Class A no par value shares callable at $55 and 40,000 Class B no par value shares.

Obituary

Henry P. Buell, vice-president in charge of the leaf department of Imperial Tobacco Co. of Canada, died on July 14 while on a business trip to Amsterdam.

Frank Hodgins, vice-president and managing director of Cluett-Peabody Co. of Canada, died in Kitchener on July 17.

Bond Tenders

July 25, Moncton Board of School Trustees—$100,000, 4 or 4½ per cent 15 or 20-year debentures. H. H. Trimble, sec.

7 p.m., Aug. 15, Megantic, P.Q.—$67,500, 5½ per cent bonds, dated Oct. 1, 1934, redeemable serially Oct. 1, 1935 to Oct. 1, 1949. D. L. Lippe, clerk.

Famous Players Interest Well Covered in 1934

Famous Players Canadian Corp. has earned bond interest on a slightly better basis than last year, The Financial Post understands.

The improved state of business generally gives hope that improvement will continue in the coming fiscal year but at the moment it is difficult to assess probabilities on account of the confused film situation created by the movement in the United States to change the character of many films.

Officials of Famous Players Canadian Corp. say that this does not affect them as much as it would affect United States companies as the company has always done a good deal of private censorship on its own both in its selection of films and their treatment after receipt. Nevertheless the situation increases the problems of selection of films that will meet public approval in all parts of Canada. It is hoped that the eventual good of the industry will be served by the white light beating on films that give emphasis to undesirable features of present-day life. There is wide difference of opinion on the subject and exhibitors may operate cautiously while studying returns from various types of films.

Simpson's Resumes Preferred Dividends

Announcement of the resumption of dividends on the 6½ per cent cumulative preference stock of Simpson's, Ltd., was not unexpected. The dividend of $1 a share payable August 1 to shareholders of record July 21 is not at the full rate of $182,813 per quarter but would require only $112,500. The last dividend was on February 1, 1932, and there are therefore more than two years dividends in arrears.

In 1931 Simpson's earned $5.52 a share on preferred and paid $6.50, it earned nothing on this stock in 1932 and in 1933 it earned $1.79 a share. In 1934 to date it is understood that dividend has been earned but with the memory of losses inevitable during the period of price dropping and disturbance generally in price levels, the return to full payments by the Board will probably be cautious.

Pete's Production Gains Ground in 1934

International Petroleum's total production in Peru and Colombia in the first six months of 1934 amounted to 14,167,294 barrels of crude, or a daily production of about 78,272 barrels. In all of 1933 total production was 24,363,203 barrels and one half of that would be 12,181,602 barrels, an increase of 16 per cent so far in 1934.

There has been a steady improvement every month since February in 1934, the totals being as follows: January, 2,201,310 barrels; February, 1,945,104; March, 2,104,001; April, 2,230,871; May, 2,815,287; and June, 2,870,721 barrels.

James Y. Murdoch Elected Director of Bank of N. S.

James Y. Murdoch, K.C., Toronto, has been elected a director of The Bank of Nova Scotia. Mr. Murdoch is president of Noranda Mines, Canadian Copper Refiners and Chartered Trust & Executor Co. He is also a director of other firms.

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MAY PRODUCTION IN TURNER FIELD DOWN 1,000 BBLS.

Survey of Area Shows No Let-up in Drilling Activity

A decrease of slightly over 1,000 bbls. is shown in production figures from the petroleum and natural gas fields of Western Canada, compiled for May, as compared with April. A feature of the May production, however, was the fact that in the Wainwright field production had more than doubled, totalling 1,272 bbls. against 507 bbls. produced in April.

Continued activity is shown in the summary of developments in the various Western Canadian fields up to July 7. The following is a glossary of news from the more active wells:

Comrey: Officials state that they expect to be ready to commence operations on the McDonald-Imperial No. 1 well within the next two weeks.

Twin River: Production tests have been under way at the Nordon-Roney well during the past month but no statement of results has been given out.

Vanalta No. 6 Spudded

Red Coulee: Vanalta No. 6 is reported to have been spudded in on July 4. This is the first drilling to be done on the Canadian end of the field for a long time.

Walerton Lake area: Oil Cities Royalties well is reported to be drilling at about 1,600 ft. after being shut down for the winter.

Lundbreck: Raven Oil No. 1 is reported to be drilling below 400 ft.

Highwood: Canadian Royalties are reported to have commenced work on the Banner location but no figures are available as to depth.

Aldersyde: Drilling has not yet been resumed at the Ranchmen's well and it is understood that casing is being arranged for. The well has been drilled to 6,260 ft.

Encounter Gas Flow

Pekisco Structure: Pekisco Hill No. 1 which was reported to have struck the Madison limestone at 870 ft. proved to be in the limestone band in Fernie shales and has been drilled into the Madison which was encountered at 1,065 ft. A gas flow of about one M.M.C.F. was found and arrangements are being made to recover the gas for boiler firing. Casing was set at 1,159 ft.

Turner Valley, South End: Highwood Royalties well has reached a depth of 345 ft.

North West Royalties has taken over the location made by Prairie Royalties and their well has reached a depth of 270 ft.

Union Freehold well on L. S. 8 of Sec. 21 has been drilled to 3,350 feet and 13½ inch casing has been run.

Meyers and Wright L. S. 14 of Sec. 21 have reached a depth of 574 ft. and 18 inch casing has been cemented near 500 ft.

Royalite No. 4 Produces

Highwood-Sarcee well has continued drilling in the limestone a depth of 5,600 ft. being reported. Production from the crude oil horizon is being taken.

Production tests are still under way at the C. & E. Longview well on L. S. 5 of Sec. 27.

Turner Valley-Central Area: Okalta No. 4 has suspended at 4,170 ft.

McDougall-Segur No. 7 has reached a depth of 1,280 ft.

Royalite No. 4: This well is being connected up for production but no figures are available as to saturation or pressure. At the last general measurement of closed in pressures Royalite No. 14 and No. 21, the two nearest wells, gave the following readings: 789 P.P.S.I. and 780 lbs. respectively Dome No. 2, Vulcan No. 1, Royalite No. 15 in this area are all being abandoned.

Pine Hills Resumes Work

Birch Ridge: The well which has been located on L. S. 3 Sec. 6 by Vancouver parties has not commenced drilling.

Moose Mountain: The Elbow well which was drilled to 4,369 ft. has been shut down.

Hunter Valley No. 1: This well is reported to have reached a depth of 2,830 ft.

Wainwright: Gold Standard-Wainwell 2A. L. S. 15 has been cleaning out. It is being cemented back to shut off the bottom water and recover gas from the Viking.

Saskatchewan-Dirt Hills: Work is being resumed on the Pine-hills well on L. S. 8 Sec. 23 which was drilled to 2,938 ft. in 1933.

Pilot Butte: The Aladdin Oil and Gas Co. state they expect to resume drilling on their well in this locality.

Ribstone-Blackfoot: The Lloydminster Gas Co. have reported to have made a new location midway between their own well on L. S. 3 Sec. 11 and the Altoba near Lone Rock.

British Columbia East Kootenay-Sage Creek: Columbia Oils report that they are running 10½ inch facing to 1900 ft. in their well on Sage Creek and that they intend to drill this hole to 3,000 ft. if necessary.

Following is a tabulation of the output of various Western Canadian wells in May as compared to their output in April:

	April Bbls.	May Bbls.
Turner Valley—		
Advance	815	818
Assoc. O. & G.	298	282
Baltac	108	122
Dalhousie	833	865
Foothills	2,474	2,524
Freehold-Mar-Jon	5,614	5,709
Home Oil	1,413	1,144
Lowery Pete.	348	260
Merland	5,389	5,199
Royalite	40,675	46,337f
A. Pac. Con.	151	*
Calmont	252	*
Mayland	2,396	*
Southern Lowery	1,888	*
Southwest Pete.	169	138
Sterling Pacific	3,834	3,719
Anaconda	4,849f	3,591
British Dominion	198	*
Com. Pete.	468	*
East Crest	1,344	1,394
Freehold	79	*
Hargal	78	73
Highwood-Sarcee	363	*
Homestead	168	159
Hylo	1,949	2,101
Mar Jon	965ef	1,200e
McLeod	401	308
Mercury	4,420	3,882
Miracle	6,872	6,646
Mid-Field	107	82
Model	5,109†	5,174
New McD.-Segur	750e	745f
Okalta	705	442
Regent	127	59
Richfield	245	289
Spooner	590	622
Sterling Royalties	6,589	6,910
Structure-Wayne	217	217e
Vulcan	80e	*
Wellington	252	*
Widney	274	325
Total	103,856	101,294
Red Coulee-Border-Keho—		
O'Neil	471	473
Vanalta	1,358	1,383
Nordon-Roney	232	191
H. B.-Keho	19	3
Total	2,080	2,032
Wainwright—		
Edmon-Wainwright	*	230
Sasko-Wainwright	296	285
Onalto	198	416
Gold Standard	13	61
Edalta	*	280f
Total	507	1,272
Grand total	106,443	104,598

Recoveries at absorption plant are here credited entirely to Royalite.
e—Estimated. f—Corrected.
* Not given.

HEAR NEW STRIKE AT HOTTAH LAKE

Interest Stirred by Samples of Radium Brought to Edmonton

An interesting find of radium ore has been made in the new Hottah Lake mineral strike, 100 miles south of Cameron Bay, N.W.T., according to reports from that area.

The property, discovered by Oscar Burnstead, of Edmonton, is located about three miles southwest of the D'Arcy Arden discovery of last winter, now owned and operated by the Great Bear Development Co.

According to official assay reports, the ore contains 36.5 per cent uranium oxide. Burnstead has staked 18 claims. Samples brought out with him to Cameron Bay indicate that they are among the richest brought out of Hottah Lake.

With the report of Burnstead's strike, unconfirmed rumors of three new rich pitchblende discoveries on the Watt Kerr group east of the Arden find reached the outside world. The property is operated by Hottah Lake Syndicate, headed by Alvin Kerr, of Edmonton.

These reports have stimulated interest in the Hottah Lake district. Several of the operating companies who hold claims in this area are proceeding to their property, planning to blast out test pits, and carry out general development work.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

		March 1934*	April 1934*	Four Mos. End. April 1933*	Four Mos. End. April 1934*
Asbestos	ton	12,629	10,611	23,529	40,999
Cement	brl.	107,425	210,186	377,760	[illegible]
Clay products	$	130,128	196,762	408,101	[illegible]
Coal	ton	1,029,639	807,930	3,583,629	4,130,017
Copper	lb.	30,832,982	31,739,138	81,600,744	113,602,165
Feldspar	ton	1,579	602	1,130	4,800
Gold	fine oz.	249,310	224,881	958,851	928,418
Gypsum	ton	4,888	25,483	13,555	36,959
Lead	lb.	21,788,559	26,293,879	82,246,353	103,326,327
Lime	ton	34,220	28,653	73,208	116,221
Natural gas	M. cu. ft.	2,598,738	2,177,805	10,492,765	[illegible]
Nickel	lb.	10,436,852	12,924,418	9,186,081	[illegible]
Petroleum	brl.	130,046	118,890	328,057	469,907
Salt (commercial)	ton	14,636	19,224	45,431	54,423
Silver	fine oz.	972,606	1,032,744	8,327,792	[illegible]
Zinc	lb.	22,774,662	26,012,636	53,763,783	[illegible]

*Subject to revision.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Sault Ste. Marie	July 11	Dominion Securities	5½%	....	$100,000		
Brantford	July	D. O. Johnston	4½%	10-yr. ser.	100,000	100.25	4.45%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date	Offered by	Rate	Class	Amount	Price	Yield
Wells Longlac Mines	July	C. A. Gentles & Co.	....	....	400,000 shs.	30c	....
Consolidated Chibougamau Goldfields	July	Doherty, Roadhouse & Co.	....	....	600,000 shs.	75c	....
North West Minerals	July	Imperial Securities Co.	....	Treas.	500,000 shs.	25c	....

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, JULY 21, 1934

S. O. S. FROM CANADIAN MILLERS

WHILE the Central Selling Agency at Winnipeg, licks its lips in pleasurable anticipation of the profits it expects to reap now that cash wheat has crossed the 80-cent mark, a scathing indictment of the "mismanagement" which has brought the flour milling industry in Canada "to the verge of ruin," is being carried on by leaders in the flour milling trade of the Dominion.

Supported with evidence obtained at first hand by C. E. Soward, export manager of the Maple Leaf Milling Co. during a visit to British markets last month, A. H. Bailey, Canadian editor of the Northwestern Miller, points to the very serious damage which is being done to the flour exporting trade of Canada by reason of the artificial level at which Canadian wheat prices have been held through the "mismanagement of wheat exporting operations since the federal government took control." Mr. Bailey points to what he terms the "tragic consequences of the speculative proclivities of the government agents," and says bluntly:

"One of the oldest and most important of Canada's secondary manufacturing industries has been forced to the verge of ruin by the obsession for speculative profits that has dominated the marketing of government wheat for many months past. No private trading operators could or would ever have followed the course that has marked the selling policy of government agents in the last six months or more."

As export manager of one of the largest Canadian milling companies, Mr. Soward puts the case for the Canadian milling trade in a nutshell when he says:

"We cannot overcome the fact that Canadian wheat is at least seven or eight cents per bushel higher than what should be considered a top price for it compared with Argentine and Australian. We would be doing a very large trade indeed if the price of Canadian wheat came into line, and it certainly cannot remain permanently at the present disparity. Importers are much discouraged and critical of the Canadian government's policy which is so seriously interfering with their established trade in Canadian flour. They see account after account slipping away from them."

The customary reply of the "government agent," John A. McFarland, to these criticisms is that he has consistently done his utmost to market Canadian wheat but due to the excessive oversupply in Canada and throughout the world, there has been continued unwillingness to buy Canadian wheat no matter how low the price.

The evidence, however, seems abundantly clear that an artificial and unnatural spread has been maintained between Canadian wheat and that being offered on the British market for Argentine and Australian sellers. Apart from the actual difference in quoted price, the fact (as stated by Mr. Soward) that imports of Canadian wheat into the United Kingdom for the five months ending May total only 25 per cent this year against 40 per cent Canadian wheat used over the whole of 1933, would seem adequate evidence to indicate that Canada has not been maintaining her customary place in this key market.

The obvious solution to this dilemma is that the Canadian government through its agent, Mr. McFarland, bring Canadian wheat once more into line with the world market. But even Mr. Soward, along with many other officials in the flour milling industry, despairs of this being done so long as Canada still holds a vast quantity of wheat. The alternative therefore, in Mr. Soward's words, is that "the government give us some help to maintain the export of flour to the United Kingdom and thus make it possible for the importer to keep his organization together and retain for us business with bakers for Canadian flour."

Why should this alternative—another artificial barrier in the sorry maze of those which now enmesh world trade—be necessary? Surely with wheat selling at roughly ten cents a bushel above the price at which the government holdings were bought, there is no need to impose further restriction. Already as a result of the adverse wheat crop news of recent weeks, flour millers here and in other parts of the world report a welcome stiffening in demand and indications are not lacking that the tremendous pressure of the past few years is lifting, perhaps permanently.

Canada should be the first nation in the world to take advantage of this improvement and there should be no hesitation as far as Ottawa is concerned in sacrificing (if necessary) the small paper profit on government holdings in order that the flour milling industry in which something over $55,000,000 is invested, and whose output runs normally to several hundreds of thousands of dollars annually, may recover at the earliest possible moment the premier position it once held among the wheat-consuming countries of the world.

It is eminently true that the best possible advertisement for Canadian wheat is Canadian flour. Experience indicates that the successful sale of the milled product in world markets is invariably the forerunner of a market for the wheat from which that flour is manufactured. The plea of the Canadian flour miller is one which demands immediate and far-reaching consideration as a preliminary and necessary step toward the solution of our national wheat problem.

NEED STRONGER ENFORCEMENT OF SECURITIES LAW

THE Evening Telegram, Toronto, calls for the abolition of the office of Commissioner of the Security Frauds Prevention Act, in Ontario. The Telegram comments as follows:

"The office of Securities Commissioner has never justified itself. The theory was that supervision would protect the public against fraudulent, worthless and semi-worthless stock issues. Experience has proved otherwise.

"It is questionable if any amount of supervision will keep doubtful stock issues off the market. It is no more possible to prevent dishonest promoters from offering apparently valuable, actually doubtful issues for sale to the public than it would be to prevent individuals attempting to defraud the banks. About all that a securities commissioner can do is to lock the door after the horse has been stolen.

"The best protection that can be afforded the investing public is to put good, sharp teeth into the Criminal Code and carry out vigorous prosecution of offenders in the courts. The nature of the securities allowed on the market since the establishment of the office of Securities Commissioner has not been notably different from issues previously offered."

The Financial Post must disagree. There may be a great deal wrong with the manner in which the security protection of the investor has been carried out, justifying the last sentence of the Telegram's accusation. The Act has not yet done all that was expected of it. But that there is need for such an Act as Ontario's blue sky law and for a capable bureau to enforce it has been proved even by the inadequate amount of work that has been done.

Reliance on the Criminal Code provisions against fraud are not enough. The law on fraud is not precise; regulations regarding the sale of securities can be made precise and can be altered as experience dictates.

The average investor does not always know when he has been defrauded and when he has merely suffered from a mistake of his own judgment. He is in a stronger position when he has a government department to help him investigate an offering, not only on his behalf but in the interests of all investors.

The strongest weapon the Security Frauds Commissioner has is his authority to license brokers and salesmen. Through his licensing power he can keep the shady operators out of business, if he wants to.

Back of any blue sky law there must stand, however, strong companies legislation, governing the incorporation of companies and the conduct of their affairs. Ontario has lagged behind the Dominion in strengthening its companies law. It is unlikely that under the new attorney-general, Arthur W. Roebuck, a very liberal-minded lawyer, the province will lag for long.

SPARKS' PLAN FOR CONTROL OF INDUSTRIAL ETHICS

ONE of the later witnesses before the Stevens Enquiry, just prior to its vacation adjournment, was R. P. Sparks, counsel for the National Fair Trade Council. Mr. Sparks laid before the committee some proposals for the regimentation of business in Canada, designed to wipe out evils and other competitive abuses. His plans were not dissimilar to those offered by C. H. Carlisle, of Toronto.

Mr. Sparks urged that trade associations be utilized as the medium for standardizing and enforcing higher principles of ethics and practice in business. To that end he would, by legislation, raise the status of the trade association and free it from some of the present inhibitions of the Combines Investigation Act. He said:

"We are not wanting to legislate anybody out of business. We want to control minimum wages, prices and trading practices; and we think it can best be done by trade associations."

Most people who have studied the problems involved in putting an end to anti-social practices in business are inclined to agree with this view. Canada and the United States have had ample experience in attempts to promote ethical standards by restrictive legislation to be wary of schemes to pass more laws that will fix business standards and attempt to enforce them.

Mr. Sparks apparently realizes that a minority in any trade or industry can nullify even the highest aims of the majority. But he is prepared to let trade associations find the remedies for dealing with recalcitrant minorities which think there is more profit in playing a lone hand, and perhaps an anti-social one, than in doing business on standards approved by the majority. One possible remedy that he cited was for an association to attempt to have raw material supplies cut off from a manufacturer who refused to pay the minimum wages set for the industry.

In his brief, Mr. Sparks presented no plan for establishing an ultimate government authority to enforce codes of business conduct. He proposed that the combines legislation should be put under the administration of a government board which would have to examine all industrial codes and approve them before they could be made effective. But he did not go so far as to suggest that Canada should duplicate the N. R. A. experiment of providing for a governmental enforcement authority to administer the codes.

Mr. Sparks' scheme is one that holds some promise and it is probably along some such line that remedies for present troubles will be found. It is an incomplete scheme, which is inevitable, for experience alone could enable a workable plan of industrial control to be evolved. It is not likely that it goes as far as Mr. Stevens would like to go, for clearly Mr. Stevens thinks of industrial control in terms of legislation and enforcement by officers of the government.

Likewise Mr. Sparks' proposals suffer somewhat from the fact that they were introduced by a violent attack on three Canadian business institutions, Eaton's, Simpsons and Hudson's Bay, which no doubt has led many people to believe that what he has devised is a plan for greatly curtailing the business of those companies.

But in broad, general outline the Sparks proposals provide a reasonable basis for experimentation.

GOVERNMENTAL PROPAGANDA IN U. S. A.

THERE is a new weekly newspaper in the United States. It is called "The Blue Eagle." It is published by the National Recovery Administration for propaganda purposes and is filled with glowing appraisals of all the activities of the N. R. A. written by N. R. A. propagandists. The purpose is to show that the N. R. A. has cleaned up on the depression.

The articles are very convincing to those who have already made up their minds that N. R. A. is a little bit of all right. There are equally unconvincing to those who think that N. R. A. is the bunk.

It is sent without charge to everybody connected with N. R. A. and to anyone else who wishes to receive it. No postage is paid, and as a result the circulation is growing by 4,000 and 5,000 copies weekly and it now exceeds 50,000.

Thus is the new deal put over by propaganda. In the dictatorship countries of Europe the negative form of propaganda is used. Papers are forbidden from publishing what the government does not want printed. But under the United States New Deal, positive propaganda is resorted to and highly colored news material is put out by the government. This is the first time that an actual newspaper has been published by any agency of the American government and it is taken as the first move of the new dealers toward an official government newspaper to be known as the mouth-piece of the government and to contain all news and propaganda relating to the new deal.

So far the Blue Eagle has not published any paid advertising, although it reproduces all the advertisements which firms publish in other papers in which they extol the virtues of the new deal. These are published without charge. Apparently, the way to get an ad. in the Blue Eagle is to publish an ad. in another paper saying what a fine bunch of boys the New Dealers are.

An amusing touch is the absence of the name of National Recovery Administrator General Hugh S. Johnson from the paper. But numerous articles refer to "the administrator." In Italy, the name of Benito Mussolini does not appear often in the press. He prefers to be known as "Il Duce."

In Germany, Hitler asks those who draft official statements to use the phrase "Die Feurher."

The American people are learning a lot about bureaucracy and propaganda. And they are learning it at high cost. The Blue Eagle can never hope to have any genuine authority but it can run up the bill which Uncle Sam's citizens are paying as the price toward recovery.

EDITORIAL NOTES

"Germany," says Hitler, "has nothing to conceal." Nevertheless the press censor takes no chances.

* * *

An Ottawa politician states that Mr. Bennett has become "a great Liberal." Make it a small "l" and it is fair comment.

* * *

Manitoba and Quebec are the only two provinces which have had their present premiers long enough to get to know them.

* * *

Before Premier Hepburn of Ontario abolishes Ontario House, in the Strand, he should find an opportunity to go to London and see just how useful the work of W. C. Nixon, the agent general, is to the province.

* * *

Says the Charlottetown Guardian:

"Saturday's Financial Post—one of the best financial mediums—devotes a section of 14 pages to boosting the Maritimes, but the only reference to P. E. I. is to the important part our fisheries play."

The comment is unjust. In the articles on tourist traffic, industrial development, agriculture, insurance and the trend of business, Prince Edward Island was adequately covered. Also in the survey of the Maritime market, Prince Edward Island got full coverage along with its two sister provinces.

Post-Scripts

A BRITISH mail is in this morning. It contains evidence of the amazing variety of the British people.

Here is the P. L. A. Monthly filled with romance of the Thames. Also it tells us how we can obtain the freedom of the City of London:

"The freedom of the City of London can be obtained in three ways. By Patrimony: that is, being the son or daughter of a Freeman, and born after the admission of the father. By Servitude: that is, having served an apprenticeship to a Freeman, according to the custom of the city. By Redemption: that is (a) being on the parliamentary Register for the city. (b) Being a ratepayer in the city. (c) Being a Freeman of a city company. (d) By application for admission without any such qualification."

Next is some publicity material from Gaumont-British. Among other things it tells us how a fight was staged in which actors threw chairs at each other with such force that the chairs were smashed up. None of the actors was hurt. Why? Because the chairs were made of balsa wood, which is light as a cork. And how a window was smashed, ostensibly by a gangster's bullet when it was really too dangerous to fire a real shot on the set. One of the stage carpenters, concealed, let leaden slugs fly at it from a child's catapult.

Then a frank discussion of the world economic situation in a London broker's letter. The letter is free from the false optimism which usually characterizes brokerage letters over here. In brackets after the name of the chief partner is the phrase "British, German origin." What that means we don't know, but apparently he wants his clients to know his background.

Then the Efficiency Magazine, an amusing little monthly published by an ex-Canadian, full of pep, punch and preaching. And the Economist, in which the ubiquitous and Liberal economist, Sir Walter Layton, will be telling us the inside of the economic situation as it looks to him (his eyesight isn't always good).

Finally the Times, three or four copies. Hope one of them is the Tuesday edition. That means there will be a bridge problem in it.

So we pack our bag for tonight's reading.

Sayings of the Week

"I have had a very interesting and very hard-working life."—*Rt. Hon. R. B. Bennett.*

* * *

"In changing times, changing politics are needed."—*R. L. Calder, K.C., of Montreal.*

* * *

"Perplexed patriots should not be stamped as enemies of the State."—*Herr von Papen.*

* * *

"People have learnt that the word 'boom' is short for 'boomerang.'"—*Shane Leslie.*

* * *

"It is the universal experience of mankind that despotism blights culture."—*Sir Herbert Samuel.*

* * *

"A man without an address is a vagabond. A man with two addresses is a libertine."—*George Bernard Shaw.*

* * *

"If hours in the building industry were reduced to forty, the cost of working-class houses would go up."—*Sir Henry Betterton.*

* * *

"It is not the function of the State to make men happy. They must make themselves happy in their own way and at their own risk."—*Dean Sumner.*

* * *

"Nothing is ever accomplished by a committee unless is consists of three members, one of whom happens to be sick and another absent."—*Henrik Van Loon.*

* * *

"You cannot step a little way into the quicksand of price control without danger of being swallowed bodily by State Socialism."—*J. H. Van Deventer.*

* * *

"The doctrine preached by the Fascists that a nation can think and feel with one mind and one heart is contrary to all human experience."—*Walter Lippman.*

* * *

"If liberty is to be cramped by compulsion in the generation which lies ahead of us, it can only be because the English peoples have failed in their big task."—*Dr. Nicholas Murray Butler.*

New Books

INTRODUCTION TO WORLD ECONOMICS, by Kemper Simpson, published by the Musson Book Company, 25 Jarvis St., Toronto, at $3.50.

Mr. Simpson is an American consulting economist, formerly economist for the United States Tariff Commission and other United States Government bodies.

In this volume he throws out a challenge to the current popularity of policies of economic nationalism and attempts to demonstrate the intricate interrelation and interdependence of the great nations of the world.

Mr. Simpson does not believe that any nation can, independently of other nations, effect its own permanent national recovery. What the economic nationalists ask for is, in Mr. Simpson's opinion, a radical change from, and destruction of, all that the centuries have slowly evolved. He believes that nationalistic trends and economics have constituted the primary cause of world disorder in the past. He believes that they offer a menace to the future and he disagrees with the theory of Professor Keynes that internationalities in economic planning, involving struggles for foreign markets, is the major cause of war.

Taking the United States as the central figure in his study he maintains that that country, with its buoyant economies, its violent shifts from needless boom to paralyzing depressions, its sky-rocketing price levels and their tobogganing crashes, needs at every stage the corrective of imports, and is inevitably subject to the chastening influence of the commodity and stock price levels of older and more stable national economies.

Analyzes Four Economies

Mr. Simpson's plan of attack is to discuss the industrial economy of four typically large nations, United States, the United Kingdom, Germany and France and to make a particular analysis of their degree of self-sufficiency in imports and their dependence upon export markets. From there, he moves on to a study of their monetary and banking systems and then to their relative cost levels. The purpose is to demonstrate that it is in the equilibration of costs that the economy of one country affects that of all others despite tariff and other obstacles set up for purposes of self protection. Mr. Simpson considers the tariff one of the chief obstacles to easy and ready equilibration of world prices, the maladjustments of which are, he believes, the chief cause of the world depression since 1929.

The volume is carefully written and adequately documented. It is a reasonable discussion of the current problems of prices and tariffs. It would certainly be a useful book for American politicians and newspaper editors to study. This is not to say that it is written only for an American audience. As a study of the economic effects of excessive activity in tariff making it is noteworthy.

BRITISH COMMONWEALTH RELATIONS, the proceedings of the first unofficial British Commonwealth Relations Conference, held in Toronto, September, 1933. Published by Oxford University Press, Toronto, price $3.25.

It would have been interesting to have had verbatim reports of the speeches and discussions at the British Commonwealth Relations Conference in Toronto last September. But all of the speakers spoke candidly and freely because they knew that they were not being quoted in any way. Thus the very feature that made their speeches interesting prevents their publication. But under Professor Arnold J. Toynbee, the proceedings of the Conference have been reduced to the proportions of the 240-page book and the main trend of the discussion has been retained intact without any breaches of confidence.

The Conference was held under the joint auspices of the Royal Institute of International Affairs and the Canadian Institute of International Affairs. It brought together representatives of all of the British countries. The purpose was to consider the adequacy of the existing system of communication and consultation between the members of the Commonwealth. As both the Royal Institute and the Canadian Institute are precluded by their constitution from expressing definitive opinions on any matters, there were no final resolutions of the Conference. Nevertheless, opportunity was provided for an exchange of views and it is not too much to hope that Imperial relations have been strengthened as a result of the work done in Toronto last September.

Professor Toynbee has summarized the discussions at the Conference and the problems that presented themselves for discussion. Various rapporteurs prepared lengthy summaries of the discussions on such important subjects as the principles of co-operation in foreign policy (Prof. A. E. Zimmern); the machinery required for co-operation in foreign policy (Prof. Eric Walker); commonwealth courts and uniformity of legislation (Philip J. Noel Baker and Sir Donald Somervell); and co-operation for purposes other than foreign policy (Prof. A. H. Charteris).

These summaries are published in full in the volume which also gives the inaugural speeches and the banquet speeches of Sir Robt. Borden, Viscount Cecil, Hon. Newton Rowell and others.

As Others See Us

Railway Competition
Orillia Packet-Times

Canada's railways face a new revolution in passenger travel which will ultimately involve large capital expenditures. The advent of the light, streamlined Diesel-driven train, with a speed of eighty to a hundred miles an hour, will doubtless help the railways to retain passenger traffic against the competition of the motor bus and the airplane; but it will also mean that the railways will have to scrap a lot of their present equipment and purchase new. If this is going to be done on a competitive basis, it will mean that the people of Canada will be called upon to pour out more millions to enable their national railway to keep pace with its privately owned rival.

In an interview in The Financial Post, Mr. E. W. Beatty states that already the C. P. R. are watching with interest the development of the streamlined train, with a view to introducing it on their lines as soon as they are satisfied that the experimental stage has been passed, and a point reached where the new rolling stock can be counted upon to have a reasonable life of usefulness. In the same interview Mr. Beatty says that co-operation between the two railway systems is effecting a saving of a million and a quarter a year, whereas by unifying the two roads, and cutting unnecessary duplication, seventy-five million dollars that is now wasted could be redeemed. And there are people that believe that every man, woman and child in Canada should contribute $7 a year for the sake of being able to say that Canada has a publicly owned railway system!

Other People's Views

Meighen At 60
London Free Press

Whatever the political future of Mr. Meighen—and his career is far from ended—he has left his impress upon Canadian political life and history. He will be remembered as one of the greatest parliamentary debaters in the history of the Canadian House.

Today, in the Senate, he has given new leadership and fresh life to that body. The rejuvenated Senate is largely due to the ability of Mr. Meighen. His authority and prestige, his outstanding ability, have done much to restore the Senate to the position in our political machinery which was originally planned for it by the Fathers of Confederation.

Darkness Over Europe
Editor and Publisher

Seventy-four per cent of the total population of Europe is today living in the darkness of censorship. Is it any wonder that Europe seethes with war spirit? Fear is a concomitant of ignorance and uncertainty. Superstitious hate grows rank and poisonous in darkness, turning into docile cannon fodder. The "best minds" in Europe, responsible in a large part for the world war tragedy, continue their grip on governments by reason of insolent disregard of the human right to know what is happening in the great world.

The Restless Taxpayer
Calgary Albertan

It is quite apparent that the taxpayers' insidious revolt against paying endless relief bills continues to grow. And it is interesting to note that it is being brought on not by the bona fide unemployed, with whom everyone is sympathetic, but by those who have been doing nothing toward their re-establishment. Too many small time politicians are capitalizing on the plight of the workless, too many self-consecrated champions are standing ridiculously on their soap boxes calling on heaven and parliament for doles instead of remedies.

Parliament's Best Work
Wall Street Journal

Perhaps more notable than what Parliament has done is what Parliament has avoided. There has been noteworthy freedom from strictly class legislation. Although important steps have been taken to improve the lot of the farmer, there has been no important persecution of any particular class, except possibly for seizure of gold holdings of banks at the statutory gold price of $20.67 an ounce instead of the present market price of $35. True, the bankers were "on the spot" at Ottawa most of the session, but the bankers actually benefitted, as no proof was brought forward of unethical or unsocial practices; on the contrary, Canada's banking leaders were able to show steps they had taken to warn the country, and protect it, prior to the 1929 debacle, were able to report intelligent bank management, with relatively few mistakes of judgment, throughout the depression, and it was revealed that bank officials were ultra-conscientious in keeping their duties as bank officials apart from their private interests. Revisions to the Bank Act and charter of the new central bank will not harm the chartered banks to any important extent.

Association Deficits
Hardware and Metal, Toronto

The National Retail Hardware Association of the U. S. has for four fiscal years in succession faced large deficits.

Officials of that association have admitted that a year ago the membership was at its lowest point in 20 years and is still not far above that level. They report that even yet dealers are withholding dues to a very great extent.

Undoubtedly the ownership and responsibility for a trade publication has added considerably to the worries of the N. R. H. A. during recent years, and has both directly and indirectly contributed to the collapse of the association's membership and revenue. To an extent probably not fully realized by itself, the N. R. H. A. has suffered through this unnecessary entry into the field of periodical publishing. The hardware trade publication field has always been well served in the U. S. by independent publications which are always stronger through being independent of association affiliations. But it is doubtful if the N. R. H. A. has received anything like the co-operation and support from those leading independent hardware publications which they would have received had they remained with the purpose for which they were organized.

Going too far afield in their activities has weakened many an association and committed it to responsibilities which have proved too great a burden in times of difficulty. Association publications are always third or fourth raters.

Other associations may well take a leaf from the notebook of the N. R. H. A.

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The Week in Business

Buying Expansion

WHILE some slackness has been experienced by city grocery retailers due to the holiday season and wholesalers are quieter than in the past months, this is more than balanced by the influx of tourists and the larger sales in summer vacation districts. Throughout most parts of the west, the improved crop outlook has apparently loosened purse strings as better demand is reported by wholesalers trading in that area. Daily increases in patronage of the Calgary Stampede as compared with last year have been recorded.

As far as the potential spending power of the agricultural community is concerned, only two important restricting factors now remain. First, certain sections of Southern Saskatchewan are reported as absolute desert with no possibility of grain or fodder crops; some of those areas failed to receive any of the widespread rain of June while in the case of others the amount was insufficient to offset several years of drought. Secondly, the fruit crop in Ontario is certain to be smaller than for some years with a consequent decrease in return particularly to the rich Niagara peninsula.

* * *

Tariff Board Results

NOTHING but good came from the meeting of British and Canadian shoe manufacturers at the Tariff Board hearing, an interested observer told The Financial Post recently. Negotiations throughout were marked with a genuine desire on the part of both factions to arrive at an equitable solution, he said, and it was therefore not surprising that it took only a comparatively short time to bring the two groups together.

Astonishment was expressed at Ottawa that a solution had been found so soon. This astonishment is hardly surprising after the long drawn out and inconclusive hearing of the woollens case. The secret method of cost comparison brought forward by the British delegates in this case now appears to have been very inadequate. The bickerings of the woollen hearing were in marked contrast to the friendliness evident when the shoe men met although, of course, the constant fight of the Canadian woollen industry against the British manufacturers must be taken into consideration when making comparisons.

* * *

Reciprocal Trade

RECIPROCAL trade in the same commodities at different times of the year is an interesting feature of Canada's trading relations with New Zealand. At the present time, for example, as explained by John W. Collins, New Zealand Trade Commissioner, the chances are that if you purchase an apple in Toronto, it would be a New Zealand apple, while during November, December, January and February, apples sold in New Zealand would almost certainly be Canadian. The same exchange of commodities takes place in the case of onions.

New Zealand's largest trade with Canada at the present time, however, is in wool. New Zealand sales of wool in 1932 in Canada amounted to only 2,000,000 pounds. In 1923 there was a 33 1/3 per cent increase, while in 1934, 6,340,000 pounds have been sold.

Sausage casing is another important import from New Zealand. Mr. Collins stated that New Zealand supplied almost the entire Canadian consumption of this important adjunct to the sausage and the lowly "hot dog."

* * *

Angling for Reciprocity

ALTHOUGH possibility of consummation of a reciprocal trade treaty with the United States seems remote, Canadian officials have been busy during the past month amassing facts concerning trade between the two countries in order to have everything in readiness to begin negotiations as soon as the opportunity presents itself. Hon W. D. Herridge, Canadian Minister to Washington, and several of his staff, were in Ottawa recently, conferring with the Government on the question and collecting material.

It is understood unofficially that chief consideration will be given to cattle, fish and lumber in any reciprocal bargaining. Prior to the 1922 and 1930 U. S. A. duties, Canada annually shipped to the United States about 500,000 head of cattle, over 1,000,000,000 ft. of lumber and about $15,000,000 of fishery products. Tariff agreements made at the Ottawa conference are said to be the chief obstacle in the way of granting any concessions to United States manufacturers.

Failures under the Bankruptcy Act for the week ended July 7 numbered 12 as compared with 22 in the corresponding week of 1933. Failures to date number 541 as against 929 in the same period of 1933, a decrease of 43 per cent.

Car Loadings in the week ended July 7 numbered 39,947 cars. The holiday on July 2 affected comparisons with both the previous week and the same week of 1933 but after adjustment the index number declined only a fraction of a point, or from 73.97 to 73.54, and was 9.36 points above last year.

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Business Conditions in Canada

COST COMPARISON FOUND WORKABLE BY SHOE MAKERS

Second Appeal to Tariff Board Meets Success

OTTAWA ASTONISHED

Cost Figures for Both Groups Explained — Wage Rates Compared — Possible Tariff Changes

From Our Own Correspondent

OTTAWA.—British industry's second appeal to the Tariff Board for a reduction in duties under Article 11 of the Anglo-Canadian treaty has been completely successful. Ottawa is said to be frankly astonished at this unexpected achievement.

Following closely upon the long drawn out and inconclusive woollens application, the British boot and shoe delegation opened their case for tariff reductions before the board on July 4 and complete agreement with Canadian boot and shoe manufacturers was achieved on the night of July 7.

Cost Figures Accepted

What has been agreed upon is the cost of production figures for the two industries. Article 11 declares that the Canadian Government agrees to modify the tariff so that the preferential duties are exactly equivalent to the difference in the cost of production in Great Britain and Canada. The woollen case proved to be insolvable because the Canadian industry refused to accept the British cost figures and the British, in turn, would not accept the Canadian figures.

In the boot and shoe case, after a few public hearings, the rival delegates got together, placed their "samples" on the table and gave to each other their complete cost statistics. These figures were mutually accepted and the task of the board, therefore, becomes automatic. It is merely a case of equating two sets of figures whose accuracy is unquestioned.

The British developed a strong case in the public hearings. It was shown that prior to 1930 the tariff had been 15½ per cent. On this basis the Canadian factories had supplied practically all the domestic market, leaving only some 5 per cent to be divided between British and foreign competitors. In 1930, however, the tariff was increased to 25 per cent.

Exports Decline

British exports to Canada were 674,028 pairs of boots and shoes in 1930; 330,216 pairs in 1931; 248,100 pairs in 1932. Later years, it was contended, disclosed an even sharper drop. Giving figures for the month of May, only, the British pointed out that exports in May, 1932, were 15,000 pairs; in May, 1933, 10,000 pairs; in May, 1934, 3,000 pairs. This meant the virtual elimination of British boots and shoes from the Canadian market. The British asked that the tariff be reduced to 15 per cent and argued that this rate would generously equate differences in production costs.

In rebuttal, the Canadian Boot and Shoe Manufacturers Association in a brief submitted by S. Roy Weaver, of Montreal, not only defended the existing tariff but asked for an increase in the preferential rate. The argument of the Canadian manufacturers is important as it probably explains, in part, the agreement which followed.

Canadians Seek Changes

The Canadians, while technically seeking higher tariffs, were careful to point out anomalies in the present customs schedules. Many raw materials, of a kind not obtainable in Canada, were dutiable at higher rates than the finished product. This applied to fine kid leather, rated at 27½ per cent and East India kip rated at approximately 50 per cent. While not directly asking for lower tariffs on these items, the Canadian delegates revealed a way in which the tariff structure can be lowered, all round, without lessening the net protection now afforded to them.

The case is of particular interest because the arguments of both sides to the controversy are clearly outlined and, unlike the woollen application, it is possible to summarize the facts as presented by the British and the Canadians.

Explain Cost Figures

The building up of production cost statistics was achieved by having regard for these items: cost of materials, wages, overhead and sales costs.

On cost of materials, the British conceded that Canadian manufacturers were at a disadvantage. The British figured that a six per cent allowance on the total production costs would cover this item. But the Canadians contended this was too low and placed it at 8½ per cent. The British likewise conceded that wage costs were higher in Canada, and suggested that 30 per cent was about the accurate spread. The Canadians believed the spread was 60 per cent. The British figure, in relation to total production costs, would be 7½ per cent; the Canadian 15 per cent.

The British thought that Canadian overhead costs might be greater by 10 per cent which would add 1½ to the general cost figure. The Canadians believed 25 per cent nearer the mark, with four per cent included in the general figure. The British declined to admit that selling costs were higher in Canada than in Britain, though the Canadians claimed a two per cent allowance in the general figure on this score.

Cost Figures Vary

The British concessions add up to 15 per cent, which it was their belief should be the preferential tariff rate under the treaty.

The Canadian figures, however, add up to 29½ per cent.

In the camera hearings the cost figures were gone over carefully with actual samples of the boots and shoes on display. It was at these sessions that both sides conceded the accuracy of the other's figures, leaving it to the Tariff Board to find the middle course. Obviously the Tariff Board is likely to follow simple arithmetic in solving the problem. Adding the two figures together—29½ and 15—you get 44½ which, divided by two, yields 22¼ per cent, practically the present effective preferential rate.

Many details of wages were given and the following tables indicate the spread not only between Canadian and British plants but between representative plants in Ontario and Quebec. In the Canadian figures plant 1 is in Ontario and plant 2 in Quebec.

Average Earnings Per Hour

	British factories Low	British factories High	Canadian factories Plant 1	Canadian factories Plant 2
Clickers & cutters	29½c	42c	60½c	50c
Press room cutters, sole leather	27	55	51	none
Sorting, preparing	27	39½	66-2/3	58½
Pulling-over	34	41	88	62½
Consol. side-lasters	38½	40	62½	64
Bed lasters	32½	38½	56-1/3	47
Pounders-up Crowners	29½	42½	45	47
Welt sewers	39	51½	1.09	65½
Rounders	40	52	88	72
Stitchers	35½	42½	69	58½
Levelling	28½	37	60	58
Heel attaching	33	39	67-1/3	68
Finishing room	29	39½	55½	57½

Over 50,000 Automobiles Sold in Canada This Year

Six Months Sales Compare With 1931 — June Total Above May — Position of Leaders Remains Unchanged

More than 50,000 new passenger automobiles were sold in Canada in the first half of the current year as compared with 30,000 in the same period of the two previous years, The Financial Post estimates from figures published by the Dominion Bureau of Statistics for leading manufacturers and registration totals for Eastern Canada compiled by Might's Directories and published in Canadian Automotive Trade.

Sales for the first 6 months of this year are also considerably greater than in the 12 months of both 1933 and 1932. In 1933, only 43,178 cars were made for sale in Canada while in 1932, the total was 47,615.

Although this six months total falls somewhat short of the 1931 figure of about 55,000, sales in the later months of this year are expected to be better maintained than in 1931 so that the record for 1934 should be close to that for 1931.

More Western Sales

During 1932 and 1933, sales in Eastern Canada were estimated to amount to approximately 70 per cent of Canadian sales but this year the percentage is smaller owing to greatly increased sales in the Prairies and British Columbia. In British Columbia, boom conditions in the lumber and mining industries and increased employment in shipping have been the chief factors in the increase.

June sales in Ontario and Quebec, as judged by registration figures, numbered 8,346 as compared with 4,562 in June last year. It is interesting to notice that June sales this year are higher than in May which has usually been the peak month for the Canadian industry.

Chevrolet and Ford continue their leadership in the market in June with almost 50 per cent of the total being followed by Plymouth and Dodge. Greatest improvement compared with May is recorded by Oldsmobile, sales rising from 354 to 756 for the two provinces.

Sales of the twelve leading makes in June and for the first half of the year follow:

Sales of 12 Leading Automobiles (In Ontario and Quebec)

	June 1934	June 1933	6 Mos. 1934	6 Mos. 1933
Chevrolet	1,987	1,210	7,837	5,307
Ford	1,792	1,073	6,937	3,640
Plymouth	952	410	3,260	1,545
Dodge	887	475	3,260	1,906
Oldsmobile	756	107	1,263	429
Pontiac	380	330	1,195	1,375
Buick	353	212	1,130	930
Chrysler	277	126	924	545
Terraplane	274	166	917	515
Hudson	195	23	591	76
Studebaker	148	64	595	254
Graham	83	36	302	141
Total Sales				
Ontario	6,074	3,395	22,521	13,976
Quebec	2,272	1,167	6,590	4,301

Seasonal Lay Off

Activity in automobile plants is beginning to be sharply reduced although the lay off is not as great as in past years owing to the more sustained domestic demand and the increased export market. As has already been pointed out in The Financial Post, 1935 models are expected in the United States at least two months before the close of the year and if they are placed on the Canadian market at that time should materially add to the 1934 total volume.

Early season talk of price increases has never been substantiated, the general trend having actually been downward. No important price changes have taken place, in Canada, however. While wholesale prices of many basic raw materials such as iron and steel parts have remained remarkably steady during the past year, prices for such subsidiary materials as wood, cloth, felt, etc., have increased considerably. Meanwhile, the trend in wages is upward. Increases in price lists would therefore seem likely unless higher costs can be offset by increased production.

Most Australian Goods Get Preferential Tariff

Extension of the British preferential tariff to goods, the produce or manufacture of Australia, is announced by the Department of National Revenue.

Butter, raisins and dried currants, wheat and wheat flour are, however, excluded from this order which became effective July 10, 1934.

Commodity Prices

IMPORTANT increases in wheat and cotton prices featured U. S. A. commodity exchanges during the past week, both of these advances being a direct result of crop curtailment due to drought The advance in wheat policies at Winnipeg was partly in sympathy with the Chicago rise and partly due to improvement in export demand.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.25	$5.60	$5.25
Copper, lb.	.09	.09	.09
Cotton, lb.	.1305	.1210	.1140
Rubber, lb.	.1464	.1456	.0980
Sugar, raw, lb.	.0315	.0315	.0365
Silk, lb.	1.22½	1.22½	2.37½
Wheat (Man.) bu.	.82	.75½	.93½
Hides, lb.	.09	.09	.14
Coffee, lb.	.09½	.09½	.07½
Weekly Indices			
N. Y. Annalist	113.5	113.6	104.0
Fishers'	77.9	77.8	†63.6
N. Y. Journal of Comm.	76.2	75.1	70.4
Crumps (Brit.)	64.0	64.1	†62.4
U. S. Labor	74.8	75.0	68.3
Canada (D.B.S.)	71.9	71.9	....

† Average 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (June)	78.4	78.7	77.0
W'sale (June)	72.1	71.1	67.5
U. S. Labor (May)	73.7	73.3	62.7
Gt. Brit. (May)	69.1	69.4	66.9

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly — Latest — 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (July 7)	▲39,947	40,469	1,134,400	941,149
C.P.R. gross earn. (July 7)	$ ▲2,342,000	$ 2,316,000	$ 59,552,000	$ 53,008,000
C.N.R. gross earn. (July 7)	$ ▲3,027,695	$ 2,895,007	$ 82,524,438	$ 70,369,878
Business Conditions—				
Weekly index D.B.S. (July 7)	▲95.3	89.8	......	......
Business failures (No.) (July 7)	▲12	22	541	929
	Monthly			
Business Conditions—				
Financial Post index (May)	96.7	73.5	......	......
Transportation—				
C.P.R. net earnings (May)	$ 1,801,927	$ 975,609	$ 6,296,832	$ 2,811,753
C.N.R. net revenue (May)	$ 1,819,036	$ 193,206	$ 3,390,248	$ ‡3,964,877
Iron and Steel (May)—				
Pig iron production (tons)	38,189	......	120,521	35,353
Steel ingot prod., (tons)	71,437	23,126	333,509	98,862
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	11,720	6,693	35,401	19,717
Factory output (May)	16,504	8,024	56,274	26,854
Trucks and Buses:				
Domestic sales* (May)	1,839	846	4,966	2,224
Factory output (May)	3,657	1,372	11,905	4,085
Exports (May)	4,973	2,229	20,810	6,891
Construction—				
Building permits (May)	$ 2,942,096	$ 2,065,372	$ 7,852,733	$ 6,726,695
Contracts awarded (June)	$ 12,208,900	$ 8,086,200	$ 60,916,700	$ 32,912,300
Newsprint (tons)—				
Production (June)	▲229,637	174,419	1,261,633	897,487
Exports (May)	222,070	168,718	938,276	655,086
Sugar (lbs.)—				
Melting & shipments§	90,494,545	93,413,740	239,210,876	279,273,651
Manufactured§	84,064,288	89,254,010	232,863,257	279,958,566
Flour (bbls.)—				
Production (May)	1,175,433	1,334,101	5,473,194	5,056,380
Wheat flour exports (June)	▲441,064	544,507	2,533,611	2,564,662
Trade (May)—				
Imports	$ 52,886,861	$ 32,926,630	$ 201,306,325	$ 134,274,794
Exports	$ 57,899,511	$ 45,576,337	$ 232,322,257	$ 160,708,378
Wheat exports (bush.) (June)	▲18,425,933	16,998,672	64,722,040	83,368,577
Employment (June 1) D.B.S. Index—				
All industries	96.6	80.7	......	......
Manufacturing	93.2	80.0	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	1,829,681	1,349,942	8,663,184	6,714,048
Aver. daily	59,022,000	43,547,000	......	......
Other Industrial Indices—				
Lumbering: (May)—				
Plank & board exports, mill ft.	112,777	75,690	503,925	247,708
Boot & shoe prod., pr. (May)	1,880,833	1,754,564	7,563,452	6,858,245
Crude petrol. imp., gal. (May)	98,900,000	83,981,157	313,410,044	242,145,778
Cotton imports, lbs. (May)	15,987,000	8,111,000	59,208,000	33,326,000
Raw rubber imp., lbs. (May)	4,968,000	3,817,398	26,033,297	12,851,447
Coal imports, tons (May)	1,560,577	938,835	3,731,916	2,810,666
Finance—				
Bank debits† (May)	$ 3,128,964	$ 2,649,625	$ 12,840,587	$ 10,212,854
Bond sales (May)	$ 75,156,737	$ 3,642,849	$ 180,688,335	$ 38,574,725
Life insurance sales (May)	$ 33,184,000	$ 32,938,000	$ 156,864,000	$ 156,540,000
Automobile Financing—				
Used cars (May)	$ 1,955,833	$ 1,638,962	$ 5,216,213	$ 4,676,061
New cars (May)	$ 2,860,046	$ 1,463,407	$ 7,078,192	$ 4,437,603

*Comprising over 90 per cent of total Canadian sales. †000's omitted. ‡Deficit. §For 4 weeks to June 16.

WHOLESALE PRICES HIGHER IN JUNE BUT RETAIL LOWER

Grains Lead Wholesale Rise, Though Most Items Advance

Wholesale commodity prices in June returned to the peak reached in February 1934, the index of the Dominion Bureau of Statistics advancing from 71.1 in May to 72.1. Higher quotations were recorded for 112 items 78 were lower and 377 remained unchanged.

Farm products accounted for a large portion of the increase the June index being more than four per cent higher than in the previous month. The increase took place entirely in field products, however, prices for animals and their products being lower than in the previous month. Part of this latter decline was seasonal.

Only non-ferrous metals were cheaper than in June a year ago, animals and vegetable products showing the chief advances. Changes in prices of commodities grouped according to chief component material are shown below:

Wholesale Price Indices (1926 = 100)

	June 1934	May 1934	June 1933
Vegetable prod.	67.4	65.2	61.5
Animal prod.	66.6	65.5	58.5
Fibres, textiles	74.7	73.7	69.9
Wood & paper	66.3	65.8	61.7
Iron & prod.	87.5	87.4	85.3
Non-ferrous metals	64.1	64.5	68.0
Non-metallic minerals	85.6	85.5	82.7
Chemicals	82.0	81.9	80.8
General	72.1	71.1	67.5

Despite this advance in wholesale prices, cost of living in Canada based on the retail cost of foods, rents and cost of services, recorded the fourth consecutive monthly decline in June, the combined index standing at 78.4 as compared with 78.7 in May and 80.2 in March. The food and fuel indices were slightly lower than in May while the index for clothing advanced due to higher quotations for men's clothing and materials by the yard.

For 46 food items, the index receded from 68.6 to 67.6, higher prices for onions, tea and most meats being more than counterbalanced by reductions for butter, milk, potatoes and sugar. Of these reductions, the first three are largely of a seasonal character. Higher meat prices are accounted for by increases in bacon and pork.

Arthur H. Campbell Joins Crown Trust Directorate

Arthur H. Campbell was elected a director of the Crown Trust Co., Montreal, at the recent annual meeting.

Mr. Campbell is president of Campbell, McLaurin Lumber Co., and is a director of Fraser Companies, Lake St. John Power & Paper Co., St. Lawrence Corp., and St. Lawrence Paper Mills.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Anaconda American Brass Ltd., New Toronto, has let a contract for a new casting shop to replace its present one at an estimated cost of $100,000.

Canadian Atlas Steels, Ltd., Welland, Ont., is making extensive improvements and enlargements of its plant. A new railway siding is being installed and rolling mill building will be extended 80 feet. Other extensions also are taking place, according to Industrial Canada, Toronto.

American Hardware Corp. of Canada Ltd., Belleville, has awarded contract for the erection of two additions to its plant. It is expected that the new buildings, will be ready for occupancy early in September, according to Industrial Canada, Toronto.

International Cooperage Co. is constructing a mill-keg stave factory at Albert, N. B. Machinery is on the ground and construction of the buildings to house the plant is under way, according to the Saint John Telegraph-Journal.

Yeastis Corp. is considering establishing a plant at Welland, employing about 30 men to begin with, according to a report in the Welland-Port Colborne Evening Tribune.

Set Regional Tariff on Fruit Imports

Insistent demands of British Columbia fruit growers have apparently been acceded to with the announcement of what amounts to a regional tariff on certain importations into Manitoba and West thereof. The duties and periods between which they apply are as follows:

From July 10 to October 31, the value for duty purposes on plums and prunes when imported into Manitoba and places west will be 1¼ cents per pound. On pears between July 10 and July 31, the value will be 1¼ cents per pound.

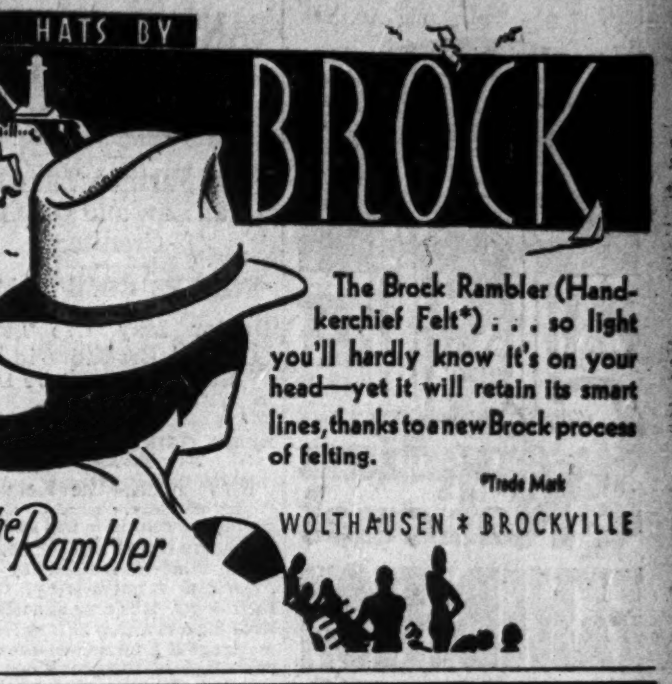
Between July 12 and October 12, the value for duty purpose of cantaloupe, musk melons, honey balls, casabas and honey dews will be 4c. per pound, while a value of 1¾c. per pound will apply to peaches between July 15 and October 12.

Potato Acreage Steady

Some 45,000 acres of farm lands in the Province of Saskatchewan have been planted to potatoes this year, according to reports to the Federal Government. This is 99 per cent of last year's acreage when 45,700 acres were used for potato growing.

Newsprint Record

Newsprint production in Canada reached the highest level since November, 1929, during the month of May, when the output totalled 242,539 tons. Compared with 171,776 tons in May of last year this represents a gain of over 40 per cent.



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J. H. THOMAS (Dominion Sec'y Britain) said:
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SIR EDWARD PEACOCK said at Dominion Day Luncheon, London:
"We found it necessary to work together. Australia, New Zealand, South Africa have done the same. Canada lags behind. In Canada the two great parties should forget party differences. If they fail to do so the progress of Canada cannot fail to be retarded."

Read "Canada's Destiny," by I. W. C. Solloway, which gives concrete reasons why the next Canadian Government must be a National Government.

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by
I. W. C. SOLLOWAY

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CAN'T FORECLOSE U. S. FARM LOANS UNDER NEW LAW

Goes Farther Than Canadian Law and Displeases Creditors

FORCES COMPROMISE

Debtor May Use Law to Compel Creditors to Give Relief — Can't be Dispossessed

By DR. GAINES T. CARTINHOUR
New York University

NEW YORK.—The Farm Bankruptcy measure, passed by Congress during the confusion and rush of the last hours before adjournment, provides a novel method by which American farmers may readjust their debts. It is now almost impossible for a creditor to foreclose on a mortgage if a farmer wishes to take advantage of the provisions of the new law. In spite of unusual interest in it throughout the farm belt, President Roosevelt was strongly urged to exercise his veto power on the ground that it represents a serious infringement upon the rights of mortgage holders, including insurance companies, banking institutions and others. The opposition comes largely from the industrial east which would not approve a write-off of farm indebtedness.

The two bills which were passed by the Canadian Parliament for the purpose of assisting debt burdened farmers to come to some arrangements with their creditors, as well as broaden the types of security under which new loans may be available, do not go as far as the Frazier-Lemke bill, but it is reported they go too far to satisfy many Canadian mortgage holders.

The measure amends an unworkable Act of last year intended to facilitate agricultural adjustments between farmers and their creditors, and extends it by forcing creditors either to permit a settlement on the basis of the unexempted assets of the farmer in financial difficulties or to permit him to file a bankruptcy petition so that his obligations can be discharged.

Debtor Can Act

Any farmer who is unable to secure a satisfactory settlement of his debts with a majority of his creditors under the individual bankruptcy act may take advantage of the new law. He can petition the Federal Court to appoint appraisers to appraise his farm at its then fair and reasonable value, which is not necessarily the market value at the time of such appraisal, and that he be allowed to remain in possession for six years under the terms prescribed in the law. It would be impossible for farmer-debtors to obtain fantastically low appraisals of their property and thus buy it in very cheaply. Judicial review of appraisals should furnish adequate checks against the possibility of unfair appraisals.

After the appraisal is made and approved the referee in bankruptcy will issue an order setting aside for the debtor such exemptions as are provided by the law. No difficulty arises where the exemptions are unencumbered. These will be set aside at once and become the property of the farmer. But a different situation is created when they are subject to liens.

The property may remain in the hands of the debtor, who may buy it back from the bankrupt estate by payment of 1 per cent annual interest for six years on the new appraised value, an additional 2½ per cent of the same value during the second year, 2½ per cent during the third year, an additional 5 per cent in the fourth and fifth years, and payment of the balance of the appraised price by the end of the sixth year. If any of the creditors dissent from this arrangement, the farmer is still permitted to stay on his farm for five years by paying only 1 per cent interest on the appraised value or a small sum as rental. The latter is fixed by the court. The farmer then has the option of repurchasing his farm at the appraised value.

Can't Be Dispossessed

Farmers cannot be dispossessed regardless of the terms of the mortgage. It is important to note that there is an implication in the enactment that the amount of the lien will usually be found to be greater than the "fair and reasonable value of the encumbered property."

The law as passed is very different from the legislation as it was originally drawn. At that time it was proposed that the Government acquire all farm mortgages and pay for them by issuing non-interest bearing Treasury notes (or greenbacks). This would have inflated the currency many billions. The present law will have a deflationary effect by facilitating debt readjustment. It is entirely different from the plan of last year to raise prices to the level of 1926 as a corrective for an unwieldy debt burden, thereby making it possible for debtors to pay.

Opponents of the measure insist it is not based on the principle of voluntary adjustment between the debtor and the majority of his creditors, that relief is provided for the first without the consent of the second. They also question the constitutionality of the plan on the ground that it essays to take property in violation of the due process clause. It is quite possible that an early case will be brought to the U. S. Supreme Court for a constitutional test.

May Not Be Inimical

The law will probably not be inimical to the interests of insurance companies and other institutions which are large holders of farm debts. Instead it should be beneficial to them by permitting the farmer to readjust his obligations on a practical working basis. Joint Stock Land Banks and others which have insisted on foreclosing farm property have usually found that such a step is unwise. When they have undertaken to sell such real estate they have usually had to accept substantial losses. However, according to reports from reliable sources, the percentage of non-recoverable first mortgage farm loans today is comparatively small. Furthermore, it is doubtful if a large number of farmers will resort to the provisions of the new Act. They do not like to be under constant surveillance of the court. Senator Borah stated recently that the whole spirit of the law is repugnant to them.

Should its provisions be utilized on an extensive scale, the small merchant, shopkeepers, implement makers, and others who are the unsecured creditors of the mass of the farmers would probably suffer more than the holders of first mortgages. Opponents of the measure contend that the credit of the farmer would be seriously impaired. This apprehension may be unjustified in view of a last minute addendum providing that the provisions of the law shall apply only to the debts existing at the time the Act became effective, that is, as of June 28, 1934.

Government Mortgagees

Farm mortgage loans and commitments by the U. S. Government will aggregate more than $2,500,000,000 in a few months, making the government the holders of over 30 per cent of the eight billions farm mortgage indebtedness of the U. S. These advances have or will assist a large number of farmers who might have been applicants for bankruptcy under the Frazier-Lemke Act. The Seventy-third Congress helped the farmer by establishing the Farm Credit Administration, which has loaned more than a billion dollars largely to stop foreclosures, the Federal Farm Mortgage Corporation, to assist in refinancing farm debts, and cash bounties as well as two measures providing for crop loans.

On a broad basis of public policy it is advisable for the farm to remain in the possession of the individual farmer. An excessive number of foreclosures should be avoided and it remains to be seen whether or not the new bankruptcy law plays an important part in achieving this desirable result in the United States.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Air Mail Rates Higher

COMPLAINTS and requests for explanation have reached Ottawa regarding the increase in air mail postal rates between Canada and the West Indies, Cuba, and Central and Southern America. The rate used to be 15 cents per half ounce and is now 35 cents to the West Indies and the more northerly countries of South America. To Argentine, Brazil and the other southerly countries the rates were higher and the increases are, relatively, as large.

The explanation given by the Post Office officials is, simply, that the old rates were not high enough to support the service. The new rates are calculated to allow the department to break even. Every effort is being made by the Post Office Department to reduce or eliminate deficits in the various branches of the service. This effort, of course, is being made without reference to the larger picture of governmental policy. Thus the Government pays large sums in shipping subsidies and in direct cash advances to the Canadian National Steamships Co., to encourage trade between Canada and these countries. Post-office officials are not unaware of this, but so far have not been instructed to base their rates upon other than straight business principles.

• • •

Future of Radio

THE significance of the report of the radio committee and of the subsequent legislation enacted last session has been generally misunderstood. While true that the present Commission (one member of which, Thos. Maher, has just resigned) was saved from a complete housecleaning by the fact that the committee reported too late in the session to permit of a reopening of the broadcasting question, the 1934 legislation does not mean that the present set-up is to be continued only until March 31 next. The Radio Broadcasting Act remains undisturbed and as the Commission, in the main, functions under this statute, the present policy of national ownership is to continue in force indefinitely.

The 1934 legislation was simply a renewal of a similar statute of last year which authorized the appointment of a part of the Commission's personnel and which clothed the commissioners with special powers in the way of leasing stations, etc. This legislation will lapse March 31 next.

• • •

Postpone Reorganization

REORGANIZATION of departments of government, forecast by Prime Minister R. B. Bennett prior to the beginning of the session, is not likely to take place this year, according to current gossip on Parliament Hill. The Interior Department which was dismantled after the return to the western provinces of their natural resources, was believed certain to disappear in a general reshuffling of portfolios and services. The Government, it now appears, will retain this department and appoint a new deputy minister in the near future. An intention to build up the Department of Railways and Canals — which lost its chief reason for existence with the appointment of the National Railways Trustee Board—is clearly indicated by the unofficial but reliable intimation that the vote of $100,000 to encourage the tourist industry is to be administered by Hon. R. J. Manion.

• • •

Tinplate Plans Fail

EFFORTS on the part of the Canadian Steel Corporation of Ojibway and public bodies of Windsor to reopen the Ojibway tinplate plant, shut down about a year ago, have been unavailing.

An interesting story is in circulation at Ottawa in this regard. The Ojibway plant, it appears, wrote to the British tinplate operators some time ago asking prices for black sheets. These sheets when tinned are tinplate. Owing to the dump duty imposed on United States sheets, the Ojibway plant could not import from its parent corporation, the United States Steel Corporation. The reply from England was to the effect that the British plants would not sell to Ojibway at a price which made competition possible with the new British branch plant at Sarnia. The Ojibway management, it appears, promptly took this letter to Ottawa, showed it to members of the Government and argued strongly for the cancellation of the dumps, on the ground that the British were exploiting their monopoly.

The Government was sympathetically inclined, but before taking drastic action consulted with the British Government and the heads of the British industry. A few weeks later a delegation of business men from Windsor entered the Ottawa picture. They had received copies of the British letter to the Ojibway management but, it seems, were unaware that the Government already had been apprised of it.

The upshot was that they were assured the British had reconsidered this letter and were now prepared to quote prices on black sheets to Ojibway on a strictly competitive basis. The Ojibway plant, however, was not really interested and preferred to remain closed rather than import from the Old Country. The reason, it is said, is that the cost of tinplating is very small and not really profitable. There is not enough money in the tinplating process to be attractive.

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Many Positions Vacant

NOT for many years, if ever before have there been so many highly paid government jobs (existing and prospective) awaiting occupants. Mr. Bennett who, as Prime Minister, controls, exclusively, the selection of lieutenant-governors, senators, and deputy ministers, is suffering acutely from an oversupply of vacancies. Manitoba requires a new lieutenant-governor and New Brunswick will do so shortly. There are no less than 12 vacant seats in the Senate (total 96). Two deputy ministerships, Marine and Post Office, are not occupied and the Railway Commission lacks a chairman. The name of ex-Premier Gordon Harrington of Nova Scotia is mentioned for the Railway Commission post.

The Supreme Court of Canada is minus one judge, and that of Ontario, two. Then a whole raft of appointments will have to be made with regard to the Central Bank and the Marketing Board and its subsidiaries. A head man must be chosen for the new Bureau of Translations. and 245 registrars must be appointed under the new Franchise Act together with a Dominion Franchise Commissioner, who is expected to be Col. John Thompson, for many years chairman of the Board of Pension Commissioners. Mr. Justice F. G. Taylor, of Winnipeg, will likely replace him on the pensions service. By and large the Bennett Government has at least 500 jobs to be filled within the next three months.

First Meeting July 19 in Traymore Bankruptcy

Initial meeting of creditors of Traymore Ltd., in bankruptcy, which operates a chain of six restaurants in Toronto and Montreal, is being held at Montreal on July 19.

A. Lamarre, Montreal, has been appointed custodian in the bankruptcy proceedings. It is expected that a statement amplifying information concerning the factors that resulted in the bankruptcy will be issued after the meeting has been held.

A substantial deficiency in working capital is understood to have been the principal cause of the financial difficulties which resulted in the appointment of a custodian,

HIGHER VOLUME FOR SUPERSILK LAST 6 MONTHS

But Lowest Prices on Record Considered Unsatisfactory

A very considerable improvement in the volume of business for the first six months of 1934, as compared with the same period of 1933, is officially reported by Supersilk Hosiery Mills. It is pointed out, however, that the first four months of 1933 were exceptionally poor, and this helps to render the comparison favorable.

Prices, it is stated, have been lower up to date in 1934 than they have ever been. Canadian mills are still following the policy of "trading down" although expenses and raw materials are stated to be at a point where it is doubtful if they can or will go lower.

Prospects Considered

Prospects for the remainder of 1934 are considered doubtful. However, it is understood that the company usually anticipates good business in the latter half of each year, particularly on better class merchandise. This year, it is felt, will not be any exception to the rule for Supersilk Hosiery Mills.

Competing mills are understood to be selling merchandise at very low prices, in some cases lower than ever before, apparently in order to obtain volume. This situation, it is understood, acts to the detriment of the full-fashioned hosiery industry.

Under present conditions, the company does not take a very optimistic view of the situation. It is hoped that Canadian full-fashioned hosiery mills may alter their policies from trying to make and sell merchandise at the lowest possible prices, and turn their attention to manufacture and promotion of better-class goods. This, it is claimed, will change the situation for the better.

Dividends Reduced

Net profits of Supersilk Hosiery Mills were reported at approximately $36,520 in 1933, compared with $35,000 in 1932 and $61,000 in 1931. In 1931 sales were about $640,000, but have not been published subsequently.

Dividends paid on the 4,981 seven per cent preferred shares in the hands of investors were reduced to 3½ per cent from July 2, 1932. This rate has been maintained to date, and arrears of dividends, therefore, total 8¾ per cent. Payment of only partial dividends has served to increase distributable surplus and working capital. An annual amount of $34,867 is required to pay full dividends on the 4,981 preferred shares, the net number in the hands of investors after deducting shares held by the company for cancellation.

REINHARDT BREWERY STATEMENT SECRET

Presented at Meeting But Not Published — Beer Boom Doubtful

Although some public interest has been taken in shares of Reinhardt Brewery Co., Toronto, in anticipation of increased beer sale in Ontario under the new provincial administration, there is no financial statement or earnings record available to investors. The annual report was presented at the annual meeting last May, but is not published.

C. I. Macneil, secretary-treasurer of the company informs The Financial Post that public expectation of substantially increased sales of beer may be exaggerated. The company's chief brands are "Old Chum Lager," "Gold Crest Stock Ale," "White Horse Ale," and "XXX Porter."

Reinhardt Brewery Co. was incorporated in 1926 to take over a private company of the same name. It has an authorized capital of 1,250,000 no par value shares of which 874,000 have been issued. Shares were sold to investors at $1 each in 1927.

T. W. McGarry, Toronto, is now president of the company. J. E. Davies is vice-president and managing director. Other directors are: J. B. O'Brien, J. W. Bicknell, W. S. Little, T. S. H. Giles and H. E. Davies. C. I. Macneil is secretary-treasurer.

Join the Ely circle
THERE ARE ADVANTAGES

ELY LIMITED
Clothier & Furnisher
Three stores in Toronto

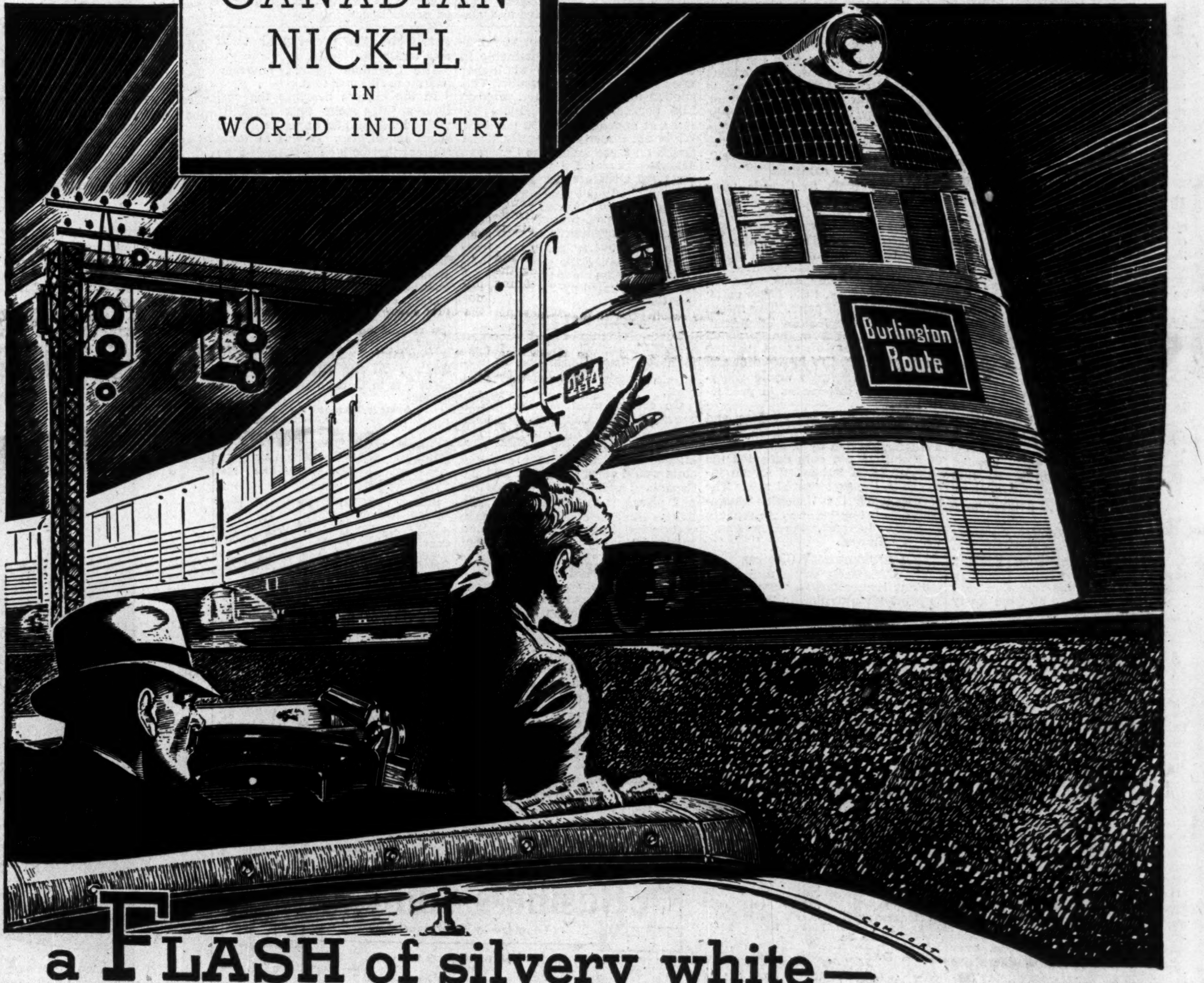
Can. Western Lumber Gets Better Prices

Canadian Western Lumber Co. sold 130,000,000 ft. of lumber in 1933 compared with 97,000,000 ft. in 1932, an increase of 16,000,000 ft., J. Davidson, managing director, reported recently at the annual meeting. The average price realized improved by $1.31 per thousand ft. as compared with the previous year.

In the first five months of 1934, sales showed a slight increase over 1933. Average selling price in the 1934 period was $16.77 compared with $13.18 in 1933. The price realized in bulk for the five months was $236,617 higher than in the same period of last year.

. . . CANADIAN NICKEL IN WORLD INDUSTRY

THE RAILROAD INDUSTRY



a FLASH of silvery white—
100 miles per hour!

NICKEL AGAIN PLAYS ITS PART IN RAILROAD DEVELOPMENT

. . . . . . SWEEPING INTO THE CHICAGO STATION, the new streamline stainless steel train, the "Zephyr" came to a stop. Running continuously from sunrise to sunset, it had made new records for a non-stop run and sustained high speed. An average speed of 78 miles per hour and a peak speed of 112 miles had been recorded.

Truly a dramatic episode in railroad history, but just another milestone in the research and development work constantly carried on by railroad executives and engineers to give the public speedier, more efficient, convenient and economical transportation for passengers and freight.

In this research and development work our sales and technical staff, with representatives in every industrial country, lend their whole-hearted co-operation. The requirements of modern transportation bring into increasing importance the metals used in locomotive and car construction. Metals having maximum strength with minimum weight, toughness, resistance to impact and corrosion are essential.

Nickel steel and Nickel cast iron have these physical qualities to an unusual degree. Therefore the use of Nickel by the railroad industry in all parts of the world, although large today, is constantly expanding.

In this new streamline train the stainless steel contains eight per cent Nickel; the four wheel truck members are Nickel alloy steel castings; the roller bearings and highly stressed parts of the Diesel engine are also Nickel steel.

In the modern steam locomotive Nickel alloy steel is used for boilers, fire boxes, connecting rods and other important parts; Nickel cast iron for cylinders, cylinder bushings, car wheels; Monel Metal for valves and valve seats, dining car food service equipment, etc. In fact, from locomotive to club car or caboose, Nickel today is used throughout the modern train.

It is an interesting and romantic fact that The Canadian Pacific Railway, which while pushing its tracks westward in 1883, brought about the discovery of the Sudbury Nickel deposits, was one of the pioneers in the use of Nickel steels in locomotive construction.

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

SECOND SECTION

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SECOND SECTION

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Future of Cattle Exports Rests With Conference

Representatives of Dominions and Britain Discuss Meat Quotas for Second Half of 1934 — Background of Agreements Outlined

From Our Own Correspondent

OTTAWA.—The interests of the livestock industry are deeply involved in conferences now proceeding at London to determine the British policy with respect to importation of meats in the second half of the current calendar year and thereafter.

Canada's rosy prospect of a large and valuable market for live cattle, which followed from the lifting of the embargo by the British Government shortly after the signing of the Ottawa treaties in 1932, has been dimmed in recent months and may fade into insignificance in the future. Exports of live cattle to Britain reached the peak in 1926 with 117,819 head, but owing to British restrictions the market until 1932 was never wide open to Canada. It was believed that under favorable conditions exports could be stepped up to 200,000 head and a much needed profitable outlet provided for the livestock industry. The normal market which is the United States was partially blocked by tariff in 1922 and practically closed in 1930.

Treaty Terms

Under the Anglo-Canadian treaty the British Government undertook to remove health restrictions against Canadian cattle. This was done within a few weeks of the closing of the Ottawa Conference. But the export trade took a little time to revive and cattle did not commence to go forward in quantity until 1933, when 53,006 head were exported. Even so, this was only a beginning and in 1934 it was hoped to top 75,000 and rapidly expand the trade in subsequent years. These hopes were greatly strengthened in 1933 when the Irish Free State and the British government came to loggerheads and Irish cattle (Canada's only competitor in the field) were penalized by high duties.

The decision of the British Government in November, 1933, to request Canada voluntarily to restrict cattle exports in the first quarter of 1934 so as not to exceed the shipments in the corresponding period of 1933 came like a bombshell. Ottawa was deeply disappointed but hoped that expansion of the trade would only be delayed and not permanently crippled. Later the restrictive measures were extended, on request of London, to the second quarter of this year, which has just expired.

Plan Future Policy

Right now the conference at London between the British Government and representatives of Canada, Australia and New Zealand is endeavoring to agree upon future policy and, while official announcements have been meagre, the outlook, according to reliable information, is not bright.

There have been other complications which may or may not prejudice the future position of Canadian exporters. While agreeing to the policy of restriction, the Canadian Government lacked statutory authority to control exports, with the result that the six months quota has been exceeded.

In the first six months of 1933, Canada exported 22,505 head. In the first half of the current year our exports exceeded this by nearly 1,000 head. The figures as at July 5 were 23,491 head in 1933, 24,150 head in 1934. This excess was regularized by an additional quota given to Canada by the British authorities, although whether or no this will be deducted from the allotment for the second half of the year remains to be seen. In recent amendments to the Livestock and Livestock Products Act, the Government took power to license and regulate cattle exporters so that no difficulty in keeping within the quota allotted for the second half of the year is anticipated.

Home Farmer Favored

As to the London Conference, the general trend of the discussion indicates a tightening of British restrictions against Canada and other Empire sources of meat supply.

A broad division is being made. The British Government is not concerned about the export of store cattle for finishing in the Old Country, but it is concerned about the export of fat cattle, ready for immediate slaughter.

From the Canadian viewpoint, the trade in store cattle (feeders) is distinctly unprofitable. The only money that can be made is on fat cattle. It follows, therefore, that the great bulk of our exports has been of this type and if restricted to store cattle the market will be worthless.

As to fat cattle, the British Government is taking the position that imports must be classified with chilled and frozen beef and must be subjected to the same quota restrictions.

Study Other Pacts

In the Anglo-Canadian treaty, there are no provisions respecting either cattle (save for the removal of the embargo) or meat. But in the Anglo-Australian treaty this matter is covered in Schedule H and there is also a reference to it in the treaty with New Zealand.

Schedule H of the Australian treaty undoubtedly contains the policy under which Canada is more than likely to operate in future. It is set out that prices of meat in the Old Country are ruinously low and that efforts must be made to increase them. The British Government undertakes, during the currency of the treaties, to regulate imports in such a way as "give to the dominions an expanding share of imports into the United Kingdom." In return for this declaration, Australia agreed to a stand-still arrangement in 1933. That is, exports of frozen mutton and lamb, frozen and chilled beef, were to be held down in 1933 to the total of 1932. This arrangement, apparently, was continued until June 30, last, and the future policy is now being negotiated.

New Scheme Probable

To place Canada's fat cattle under the meat quotas means the loss of an important advantage possessed by the Dominion and this is clearly recognized at Ottawa. But, in addition, reports indicate that quotas are almost certain to be reduced and a cattle scheme, similar to the British wheat scheme, put into operation. Under this policy, all imports would be subject to a levy or tax. The money thus raised would make up a fund out of which British livestock men would be bonused. Where imports of beef greatly exceed domestic production, as in Britain, a relatively small levy would enable a large bonus to be paid.

Canada's representative at this conference is Hon. G. Howard Ferguson and it is understood he is making every effort to persuade the British Government not to class fat cattle with meat and not to impose a special import levy.

Argentine's Position

One other factor in the negotiations has been reported to Ottawa. Apparently the Dominion's representatives have urged the home government to leave their exports untouched but to severely restrict imports of meat from Argentine. The British Government, it is learned, is not enamored of this proposal. There are large British investments in Argentine which must be serviced and, in addition, Argentine has not unduly raised tariffs against British goods, as have some of the dominions, and remains a valued customer.

Record Dividends

Dividend payments in June by Canadian corporations to their stockholders established a new high record for this month and a total of over $41,000,000 was the second highest on record in the Dominion.

Foreign Exchange Markets

NEARLY exact stability between the four currencies of major interest to Canadian commerce and finance, the pound, Canadian and American dollars, and gold franc was maintained in the week ended July 16. In terms of the pre-devaluation gold parities the franc has been at 100.0, the pound at 61.5, the Canadian dollar at 60,0 and the U. S. dollar at 59.4.

There appears to have been some tendency to weakness on the part of the American dollar. But it has hardly shown in the gold calculations. Further devaluation, or fiat money agitation is anticipated in the United States. The pressure of deflation in France due to the maintenance of the 1928 gold value of the franc has not abated. Recent failure of an important bank in Southern France is considered illustrative of the difficulties of deflation. Riots in Belgium and Holland are considered symptoms of the same disease. Devaluation of the pound, ultimately considered inevitable, may be delayed pending clarification of international gold standard policies, or may be effected on a purely temporary basis.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	July 10	July 11	July 12	July 13	July 14	July 16
U. S. dollar, High	.5906	.99⅛	.99	.99	.99	.98 11/16	.98 11/16
Low	.5906	.99	.98 11/16	.98 11/16	.98 11/16	.98⅞	.98 11/16
1933 High	1.000	1.04¾	1.05⅝	1.05¼	1.05	1.05	1.05
Low	1.000	1.04⅞	1.04¾	1.04 11/16	1.04¾	1.04⅞	1.04 11/16
U. K. pound	4.8665	4.99¼	4.98⅞	4.99	4.98⅝	4.98⅝	4.98⅞
Argentina	.9648	.2386	.2386	.2413	.2413	.2410	.....
Australia	4.8665	3.9703	3.9684	3.9980	3.9967	3.9668	3.9663
Austria	.1407	.1880	.1879	.1879	.1878	.1878	.1876
Belgium	.1392	.2316	.2315	.2314	.2313	.2312	.2315
Brazil	.1963	.0633¾	.0634	.0634	.0633	.0633	.0633
Czechoslovakia	.0296	.0412	.0412	.0411⅞	.0411¾	.0411½	.0411¾
Denmark	.2680	.2230	.2229	.2229	.2228	.2228	.2231
France	.0392	.0653½	.0653	.0653¼	.0653	.0652⅞	.0651¾
Germany	.2382	.3780	.3799	.3800	.3798	.3797	.3797
Greece	.013	.094	.094	.094	.094	.095	.094
Holland	.4020	.6717	.6712	.6712	.6707	.6706	.6709
Hungary	.1749	.2946	.2945	.2945	.2945	.2948	.2943
India	.3650	.3796	.3798	.3799	.3797	.3797	.3797
Italy	.0526	.0850¼	.0849½	.0850⅛	.0848⅝	.0849	.0849¼
Japan	.4985	.2966	.2970	.2965	.2969	.2963	.2963
Jugoslavia	.1929	.0226½	.0226¾	.0226½	.0226⅛	.0226½	.0227
New Zealand	4.8665	3.9862	4.9843	4.9843	3.9830	3.9827	3.9822
Norway	.2680	.2509	.2509	.2508	.2507	.2507	.2508
Poland	.1122	.1879	.....	.1879	.1878	.1879	.1875
South Africa	4.8666	4.9809	4.9784	4.9784	4.9768	4.9765	4.9758
Spain	.1929	.1355	.1354	.1354	.1353	.1352	.1355
Sweden	.2680	.2577	.2574	.2573	.2571	.2573	.2574
Switzerland	.1930	.3225	.3224	.3226	.3226	.3226	.3233
Hong Kong	.5422	.3738	.3747	.3757	.3739	.3740	.3740

Future Vague for Canada's Tariff Board

Originally Intended to Take Tariff Rulings Out of Politics, It is Now Less in Status Than Business Men Expected

Conflicting views expressed in the House of Commons in the closing hours of the session have created confusion in the minds of business men as to the significance of the Supreme Court decision on the powers of the Tariff Board.

Has the board been destroyed as a judicial body functioning under Part II of the Tariff Board Act?

Does the board, on the contrary retain precisely the status the government intended it to hold and is it now as potent a body as the business community believed it to be?

Controversy in House

In the Commons, Prime Minister R. B. Bennett, and C. H. Cahan, Secretary of State, argued emphatically that the Supreme Court judgment had only clarified the status of the board: that it was now revealed to possess the powers with which the government, in 1931, decided to clothe it. In a word, they argued that the court decision had changed nothing and that the business community could not be disappointed.

On the contrary, Hon. J. L. Ralston, Liberal financial critic and lawyer of note, argued that the government had led the business community to believe that the Tariff Board (under Part II of the Act) was to be a judicial body, a court, a tribunal entirely free from political interference and control. As the Supreme Court decision reduced the board to the status of a branch of the National Revenue department; made it clear that the board was wholly under the control of the Minister of National Revenue, and, through him, of the Cabinet, Mr. Ralston argued that business men had been misled and now possessed a board much inferior in power to the one they believed was created by the 1931 legislation.

The debate in Parliament arose out of recent articles in The Financial Post. Mr. Bennett blocked Col. Ralston's attempts to place these in the record.

Functions of Board

The controversy is difficult of lucid explanation because of the several activities of the Tariff Board. The Tariff Board legislation comprises two statutes which directly apply to the board and two others whose application is indirect.

The first was enacted in 1931 and is the main statute authorizing the creation of the board and defining its powers.

The second is the Anglo-Canadian treaty, ratified by law in 1932, which names the Tariff Board as the body which will do the investigatory work under Article Eleven of the treaty—containing Canada's tariff concessions to Great Britain.

The third is the Customs Act of Canada, which contains the authority for the operation of the old Customs Board.

The fourth is a brief amendment passed in 1933, to the Tariff Board Act under which matters of salary and tenure of office, pension and the like were dealt with. This 1933 amendment has no significance in the present controversy.

Two Parts to Act

The Tariff Board Act of 1931 is in two parts. Part I constitutes the board as an advisory body to the Minister of Finance on tariff matters. The minister may refer to the board for investigation and report any application for tariff changes. The findings of the board are strictly in the form of advice which the Minister may accept or reject. The Anglo-Canadian treaty touches the Tariff Board only under Part I. Applications from the British Government for tariff reduction under Article Eleven are to be referred to the board for enquiry and report.

The board, under Part I, is not a judicial body in the sense that its decisions are binding, and its position under Part I is not affected in the slightest degree by the court's decision.

Successor to Customs Board

Part II of the Tariff Board Act states, simply, that all functions and duties of the Board of Customs shall be assigned to and transacted by the Tariff Board. The Board of Customs was a creature of the Customs Act and it is right here that the present controversy is centred.

The old Board of Customs was a body composed of senior officials of the National Revenue Department to which anyone who was dissatisfied with the decisions of the appraisers or customs collectors could appeal. The board was never popular; heard few appeals. The reason was that the senior officials were, almost invariably, the men who were indirectly responsible for the original decision and few business men cared to appeal from a decision to the men who had made it.

The present controversy, put simply, is whether or not in turning the functions and duties of the Board of Customs over to the Tariff Board, the Cabinet intended and, by their speeches, pledged themselves to business men, to create an independent, judicial tribunal whose decisions on matters of tariff enforcement would be binding upon the National Revenue Department?

Messrs. Bennett and Cahan say "No," Mr. Ralston says, "Yes."

Ruled On By Courts

The controversy, in a sense, is now academic because the Supreme Court has ruled that, regardless of what the Cabinet may have intended to do in the 1931 legislation, the Tariff Board in fact is under the direct control of the Minister of National Revenue and, therefore, of the government, and is in no sense whatsoever an independent, judicial tribunal. Its decisions are not binding and are not even effective unless concurred in by the minister.

But the issue involved in this controversy if of major importance. On the one hand, it is argued that the Tariff Board should be a court charged with the responsibilty of ensuring the fair and just enforcements of the tariff laws just as the ordinary courts are responsible for the just enforcement of the statutes of the Dominion and the provinces. On the other, it is argued that the National Revenue department is quite competent to enforce the tariff laws and in any case is responsible through the minister to the House of Commons where complaints may be made.

Position of Board

With one group declaring "You intended to do thus and so and are now repudiating your pledge," and the other saying, "We never intended to do anything of the sort and have repudiated no pledge," the average business man is at a loss to know where he stands with respect to appeals from departmental tariff decisions.

And as for the Tariff Board, itself, the position is obscure. Beginning May, 1933, the board, under Justice Sedgewick unquestionably believed that it did possess the powers of a court and was not subject to ministerial or political control.

This is implicit in the judgments rendered by the board under Part II of the Act, in the dozens of appeals which were heard. The Supreme Court decision proves conclusively that Judge Sedgewick and his colleagues grossly over-estimated their powers: proceeded on an entirely false assumption that they were a judicial body.

Judicial Body Intended

As to the factual background, there is justification for the belief (on which Mr. Bennett and Mr. Cahan have challenged The Financial Post's view), that the government intended in 1931 to create a judicial body, free from political control. The full extent of the government's statements in this regard have not hitherto been published. It should not be forgotten that they were made in the Tariff Board bill debate of 1931 and on every occasion the ministers were arguing in support of the legislation.

As to whether or not it was intended to make the Tariff Board a court, the case rests largely upon statements made by Mr. Bennett. In each case he was speaking of the Tariff Board legislation in a general way, without particular reference either to Part I or Part II.

Mr. Bennett severely criticised the old Tariff Advisory Board presided over by W. H. Moore, which he termed a, "gigantic bluff . . . with the semblance of being clothed with the outward and visible signs of authority but lacking them."

Judicial Functions

On page 3,422 of 1931 Hansard Mr. Bennett said: "We have created a court under the provisions of the law which confers on the Federal Parliament the right to create a Federal Court. We have given that court judicial functions."

Again at page 3,188, Mr. Bennett said: "This board is a judicial body." And again: "Members of the board will function as judges on the bench."

As to the functions of the board under Part II of the Tariff Board Act, Mr. Bennett was equally specific in 1931. His remarks prove, conclusively, that he either did not understand the legislation introduced by himself and doubtless drafted under his instructions, or that he was carried away by the immediate political necessities of the moment in the Commons.

No "Antecedent Inclination"

At page 1,639 of 1931 Hansard, Mr. Bennett said: "It is proposed that the duties of the customs board shall be taken over by the tariff board from a date to be fixed by the governor-in-council. At the present time, those who sit in judgment upon appeals from the Board of Customs are the very men who make the ruling.

"Mr. Euler:—Not all of them, not a majority.

"Mr. Bennett: — Not all but my friend will agree that very often in practice that is what it means, and it is felt that in accordance with the modern practice in other countries it is better to have some tribunal that is free from any antecedent inclination in the matter."

At page 1,641, speaking of the old Customs Board, Mr. Bennett said: "The appeal was heard by a body which the commissioner of customs himself presided over. There were no great complaints that I know of. but sometimes there were some. I have heard of dissatisfaction in one or two instances, but no general dissatisfaction. It was thought, however, that the new board would be a very excellent body for that purpose, it being free from the difficulties which have been mentioned. The board is a body to which an appeal can be taken in matters of administration, and the administrative powers have certainly been very large in connection with the Customs Act and the tariff of this country."

"Court" of Appeal

Again on page 3,081: "The bill (Tariff Board bill) contains two fixed principles: first, a provision for the appointment of a tariff board with powers that are indicated in the bill, and, second, a provision that the board may act as a court of appeal from the decisions of the customs authorities in connection with matters provided for in other legislation."

The implication of the above quotation is unmistakable. The "other legislation," referred to is undoubtedly the Customs Act under which the Customs Board is dealt with.

Again on page 3,084: "The appeal power is provided for on page 6 of the bill where it is stated that the tariff board will be substituted for the board of customs. . . . Rulings on appeal as made by the Board of Customs as now constituted are really made by the same gentlemen as made the original ruling."

"Independent Tribunal"

But perhaps the clearest exposition of what Mr. Bennett believed the legislation contained is found on page 3,545 of 1931 Hansard. Here he was speaking directly on Part II of the bill. "This is an endeavor to substitute an independent tribunal for a political tribunal that is, the governor-in-council being always a political tribunal and the Tariff Board not being a political body. . . . You have in the one instance a political body, governed by all the considerations that influence political bodies; and we all know just what the pressure of contending interests may be to get a minister to make a recommendation to council. As against that, we have this body which is not interested in political matters and makes its decisions free from political influence."

Authority Challenged

These statements were widely published at the time and, apparently, the belief grew up that in the Tariff Board the business interests of Canada possessed an independent judicial tribunal to which appeals on matters of tariff enforcement could be taken.

Many such appeals were taken and in more than one instance the Tariff Board caught the National Revenue department, which is an arm of the government, in open and flagrant breaches of the Customs Act. The law was being broken as a matter of public policy. The tinplate case is a perfect example of the sort of illegality that the Tariff Board uncovered. Then came the board's decision against the arbitrary valuations imposed on British goods; the appeal to the cabinet; the reference to the Supreme Court; the destruction of the Tariff Board as a judicial body.

No Power to Decide Law

The government, no doubt, found that in the Tariff Board it possessed an endless source of embarrassment: that the board, in the capacity of a judicial tribunal, was a serious obstacle to the achievement of certain policies.

The Supreme Court, in marked contrast to Mr. Bennett's earlier views, found that the Tariff Board, under Part II of the act, completely lacks power to decide a question of law and can only function with the approval of the Minister of National Revenue.

This, in fact, can mean complete political domination of the board, although it remains to be seen if the board is to be permitted to lay its case before the bar of public opinion. The Supreme Court demoted the board, on a strict reading of the Tariff Board Act, to a position of being a mere branch of the National Revenue Department.

Two important points complete the story.

Feeling in Britain

The immediate cause of the government's reference to the Supreme Court was the board's decision that the arbitrary valuations imposed on British goods were illegal. The government, however, carefully refrained from asking the Supreme Court if the board's decision on this point of law was sound. The government asked the court to decide if the board had power to deal with any question of law. And the court answered in the negative. Moreover, the court specifically stated in its judgment that it would not attempt to deal with the rightness or otherwise of the board's decision in this regard.

The fact that material tariff advantages had been withheld because of technical weaknesses in the constitution of the Tariff Board aroused keen resentment in Great Britain. This resentment was greatly increased when Mr. Bennett made this statement in the Commons on June 15: "The Tariff Board decided that those orders (arbitrary valuations) were invalid although they had been passed prior to the date of the amending statute (October, 1932) that removed from the minister the power to fix values. The supreme court has decided that those orders were not thus made invalid. That is that."

Cancel Some Valuations

The British have appealed to the text of the Supreme Court judgment, which reads: "Copies of the decisions of the board upon the concrete cases mentioned in the order-in-council (arbitrary valuations), and also of the reasons for judgment in one of these cases were submitted to the court; but they were placed before us only for the purpose of illustration; and, by the questions put, the court is not asked to say if these decisions were right or wrong. It was made clear at the argument that in our answers we are to limit ourselves to the abstract questions referred to us."

The government on July 9 cancelled four of the dozen or more valuations imposed on British goods and thus removed, in part, the British grievance of unjust treatment received at the hands of the Canadian government. With respect to the other arbitrary valuations, the British are expected to request their submission to a proper court of law for adjudication—probably the Exchequer Court of Canada.

Future of Board

Finally there is the question of the future of the Tariff Board under Part II of the statute. When the Supreme Court judgment was announced it was generally supposed that Justice Sedgewick would resign. Mr. Sedgewick returned from Great Britain a few days ago and, to date, there have been no developments of a startling character.

It may be doubted if Mr. Sedgewick will take drastic action at the present time. The probabilities are that he will stay with the board and see how the functions of that body under Part II develop under the Supreme Court's judgment. There are loop-holes in the judgment which would still permit the board to function independently of political control.

It may be expected that the Tariff Board will ignore the Supreme Court decision and proceed to deal with appeals in a common-sense manner.

Question of Procedure

Of more importance, however, is the question of procedure. The Supreme Court has ruled that the board is subject to the authority of the Minister of National Revenue. No order of the Board, under Part II of the act, is effective unless signed by him.

The future of the present board, it is believed, will depend to a great extent on the way the government seeks to use this control. If the government permits the Tariff Board to make public its decisions, with reasons attached, so that public opinion may operate to the fullest extent, it is more than likely that the present members will stay with the board. But if the government takes advantage of its control power to compel the board to send its decisions to the minister, prior to publication, and if these decisions obtain publicity only when approved by him, the case will be different.

Quite Different Board

Subtle legal considerations are involved in this question and further clarification of the Tariff Board Act by the courts may be necessary. It is learned, however, that nothing has yet transpired to indicate that the government intends to interfere with the board in publishing its decisions.

As for the business man, whose interests were the prime object in view, it is apparent that he now possesses a Tariff Board very different in character from the one described by members of the government in the 1931 debates. He thought he had an independent judicial tribunal to which he could appeal on matters of tariff enforcement and whose decisions, automatically, would be binding upon the National Revenue Department.

Instead of such a court, he now possesses a tribunal which has power to hear his appeals but whose decisions are not binding upon the department unless the minister agrees with them. In other words, the department will not follow the rulings of the board unless it wants to. Plainly, reliance must now be placed in the power of public opinion to compel the government to accept the rulings of the board.

EXPECT CROLL TO STATE POLICY MUNICIPAL DEBT

Bondholders Hope For Settled Policy and Relief Economy

Hon. David A. Croll, Minister of Welfare and Municipal Affairs in the new Hepburn Government in Ontario, is expected to make public in the near future the attitude of the new administration on the vexed municipal situation in Ontario. The province has a larger volume of defaults, both absolute and relative, than any other area of Canada.

It has been evident that negotiations for settlement of debts of certain defaulting municipalities, and other important matters of municipal finance, have been held up by the recent election, and pending definition of the policies of the new Government. Close observers of the situation anticipate that the new administrators of the province may adopt new methods of treating municipal affairs.

There has been considerable unrest among holders of defaulted municipal securities as to what is to be done regarding their debentures. Many small bondholders, and loan and insurance companies and banks, who represent thousands of additional small creditors, are anxious to have some settled policy established.

Calls Relief Conference

Mr. Croll started his work as Minister of Municipal Affairs early this week by summoning mayors of Western Ontario cities to a conference on relief problems. Mr. Croll himself is mayor of defaulting Windsor, so that he represents the city and also the province which has indirect control over finances of such defaulting municipalities.

Bondholders consider the relief question of first importance in municipal affairs. It is pointed out that relief costs have been the major cause of financial embarrassment for most of the large Ontario defaulters. Since Mr. Hepburn's Government is pledged to economy, and since relief costs have been major expenses, there is some anticipation that efforts will be made to reduce them.

Relief Costs Heavy

It is considered doubtful whether many municipalities can continue to bear the recent heavy relief burden. And the province itself has been devoting about 25 per cent of its expenditures to relief. If municipal relief outlays can be reduced, then the provincial share of the cost will also come down.

Mr. Croll has been called the "father of the cash relief movement," which, bodies like the Citizens Research Institute have condemned as the most costly method of relief administration. In some quarters it is felt that cash relief has resulted in extensive relief frauds.

David Pugsley Connery, a member of the staff of the Border Cities Star for the last seven years, has been appointed secretary to Mr. Croll. Both Mr. Connery and Mr. Croll have witnessed at first hand the financial difficulties of the whole Windsor and border cities area most of which is in default of both interest and principal on debentures.

POOR B. C. ROADS GIVEN AS CAUSE FEWER TOURISTS

Business Interests Appeal to Senate Committee for Aid

From Our Own Correspondent

VANCOUVER.—The disagreeable discovery has been made that more tourists are leaving British Columbia for the United States than are coming in from the south.

Whether this is due to the Roosevelt New Deal's effect on the beer traffic, to general economic conditions or the lack of good roads on the Canadian side is difficult to determine, but the fact remains that British Columbia is losing out in motor travel; that far more motorists went to the United States from this province last year than entered at the Canadian immigration offices at the border.

Government Worried

Business interests and the Government are taking a serious view of the situation, made all the more alarming by reason of the fact that the unfavorable balance in tourist trade developed last year for the first time.

Last season 125,226 automobiles left British Columbia for the United States, and only 102,863 came in. This is in striking contrast to the year 1932 when 181,798 American cars entered Canada from the United States, as compared with 126,830 going out of the province. The seasons intervening between 1929 and 1933 all showed a big margin in favor of British Columbia.

Good Roads Lacking

Of course, it is recognized that Americans haven't as much money to spend on touring as they used to have in boom years, but this condition applies to a certain extent to Canadians, too, and this explanation hardly accounts for the discrepancy.

Difference in the roads is believed to be an important factor. British Columbia lacks a good connecting road with the interior. The highway along the Fraser to the Okanagan is by no means comparable with the network of fine paved roads in the Pacific states.

BRITAIN ALTERS TRUST REQUISITE FOR DOMINIONS

Dominions' Trustee Bonds Still Subject to U. K. Approval

An important change in conditions prescribed by the British Treasury under the Colonial Stock Act, 1900, with which every Dominion government must comply in order to obtain trustee status in the United Kingdom for their securities, is indicated in a recent statement by Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer.

The practice in the past has been that where legislation introduced by a dominion government, in the opinion of the British government, altered any provision of the Dominion's securities in a manner likely to prejudice the stockholders or to alter the original contract, the British government had the power of veto. This power had to be recognized by the borrowing government.

New Plan Outlined

The new departure involves an alternative safeguard for British investors. At the instance of the government of South Africa a new plan has been accepted, subject to parliamentary approval, in line with constitutional developments within the British Empire.

The government of the Union of South Africa has undertaken that legislation which appears to the British government to alter any of the provisions affecting trustee securities of the Union, or to depart from the original contract, shall not be submitted for the Royal Assent except after agreement with the British Government. And if any such legislation is passed, the Dominion, upon the representation of the British Government, will take necessary steps to amend it.

Bill Presented

A bill is being presented to the British parliament authorizing the British Treasury to accept an undertaking similar to that of the Union of South Africa for any dominion government which prefers to adopt this as an alternative to the existing conditions.

The London Times points out that the change will give holders of dominion trustee securities the same protection under either the old or the new system. There will, for instance, be no change in the relative status of trustee securities of Canada or of South Africa. The change is chiefly to bring the administrative functions of the British and dominion governments into conformity with the Dominion status which has been conferred upon various parts of the Empire.

Engineer to Investigate Condition of P. G. E. Ry.

D. O. Lewis, consulting engineer of Vancouver and Victoria, has been instructed by the B. C. government to make a complete investigation of the physical condition of the Pacific Great Eastern Railway owned by the provincial government.

Premier Pattullo explains that officials of the railway have advised the government that repairs are necessary. The investigation is intended to give the government an additional check on the amount of repairs required.

Canadian Newsprint Output at Record Level

June Returns Largest Ever Reported by Industry — Six Months Total Nears All-time High of 1929

MONTREAL. — Seasonal influences lowered the volume of newsprint production in Canada last month, but the output, while less than in May, was the largest for any June since the Canadian industry was established in the early 90's.

The Newsprint Service Bureau reports that Canadian mills turned out 229,637 tons of newsprint paper last month. This compares with 242,539 tons in the previous month and with 171,419 tons in June, 1933. The previous all-time record had been set in June, 1929, when 225,100 tons were manufactured.

For the first half of the current year Canadian mills have produced 1,261,633 tons. This compares with 894,487 tons for the same period in 1933. The rapid comeback of the Canadian industry is well illustrated by comparing the current production with that in 1929—when the peak was reached. For the first six months of 1929 Canadian mills turned out 1,312,200 tons of newsprint, or only about 51,000 tons more than this year.

American mills have shared in the better demand for newsprint, but to a lesser extent than those in Canada. Last month mills across the line produced 83,504 tons, compared with 84,384 tons in June, 1933.

Cumulative returns for the first half of 1934 show that American plants manufactured 497,471 tons of paper, against 456,502 tons in the corresponding period last year.

A. L. Ainsworth President New De Forest Crosley Ltd.

A. L. Ainsworth has been elected president of De Forest Crosley Ltd. new subsidiary company of Rogers-Majestic Corp., and which has been formed to handle sales of De Forest Crosley radios, rights to which were obtained by Rogers-Majestic with the acquisition of Consolidated Industries Ltd., early this year. Mr. Ainsworth was identified with the former De Forest Crosley organization for many years, latterly as vice-president of Consolidated Industries Ltd.,

D. G. MacKenzie, who was elected to the board of Rogers-Majestic Corp. in 1933, and who is vice-president and general manager of the company, is also vice-president and general manager of the new De Forest Crosley Ltd.

Big Pulpwood Cut

Involving an expenditure of $500,000, contracts for cutting 50,000 cords of pulpwood by Manitoba settlers will be let by the Manitoba Pulp and Paper Company.

War On Waste

HON. MITCHELL F. HEPBURN'S new Ontario Government has started its economy campaign by eliminating certain commissionerships, and by shaking up the executive staff of the Ontario Hydro-Electric Power Commission. The dismissal of F. A. Gaby, chief engineer of the Hydro, and reductions of salaries of other engineers are sensational economies, but they don't amount to much in total.

Politically, of course, it may be considered good business to wield the axe on the $30,000 salaries first. Financially, it may mean an enormous waste. The policy that should be followed in administering the $400,000,000 Hydro is to pay the key engineers well, if they are worth it, and to dismiss them if they are dead wood. Perhaps there is room for reduction of the number of engineers. But it is false business economy to underpay the few men who direct such an enormous enterprise. Mr. Gaby's salary may have been too small.

One of the major wastes in government is frequently the legion of hangers-on who hold the small jobs. Their numbers are often too great, and their remuneration in excess of what is reasonable for their work. One method of pruning these suckers is to see that no more grow on the administrative plant. And then many of them might be lopped off.

Mr. Hepburn promised to cut the administrative costs of government in half. This means a reduction of $17 to $26.5 millions in the provincial expenditures, the amount depending on the definition of "administrative costs." It will take something more than an auction sale of motor cars and discharge of the highest paid Hydro official to accomplish it. Mr. Hepburn may provide that "something more."

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Golf Club Committees

SUPERINTENDENT OR MANAGER will be open shortly for new appointment. Old Country experience; mainly in building and maintenance of links and extensive gardens connected therewith. Five years in Canada in charge of estate work now approaching completion. Highest references; yearly employment; $100 a month and house. Box 12, The Financial Post, Toronto.

Capital Required

ADDITIONAL CAPITAL REQUIRED by Company with Provincial Charter to purchase, lien notes, chattel mortgages, or other securities. Or would consider transfer of Charter and goodwill. No liabilities to assume. Box 23, The Financial Post, Toronto.

Chartered Accountant

TWENTY YEARS EXPERIENCE IN business and professional capacities, available shortly for business connection. Discussions strictly confidential. Box 24, Financial Post, Toronto.

Investment Opportunity

CANADIAN, WITH FOUR YEARS Experience in handling mink, foxes and raccoon, desires correspondence with party with capital to invest in fur farming. If you have funds for a reasonable business speculation address Box 25, The Financial Post, Toronto, for further particulars. Replies confidential allow two weeks for my reply.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

AGENCIES WANTED

An established firm with Montreal offices and stock rooms invites correspondence from Ontario firms seeking Quebec representation, highest references. Box 27, The Financial Post, 1070 Bleury St., Montreal.

Old Books Furniture, etc. for PRIVATE SALE

Final wind up of one of Canada's oldest families. Many books, etc., of historical interest to Toronto and Ontario. Furniture of the old walnut period.

Apply in first instance

Box 20, The Financial Post, Toronto

DIVIDEND NOTICES

Quebec Power Company

Notice is hereby given that a dividend of Twenty-five (.25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 25th, 1934.

By order of the Board.

JAMES WILSON, Secretary.

Montreal, July 16, 1934.

Model Oils Limited

Dividend Notice

Notice is hereby given that a dividend of three cents per share has been declared to shareholders of the Company of record as such on the books of the Company at the close of business on Saturday, July 28th, 1934, and that the dividend will be payable on or after the 18th day of August, 1934. Dividend cheques will be mailed from the office of the Company on the 18th day of August, 1934.

The Register of Transfers will be closed from the close of business on the 28th day of July, 1934, until the opening of business on August 20th, 1934.

By Order of the Board,

T. W. McKEE, Secretary-Treasurer.

Transfer charge is 35c for each new certificate. If certificates are to be mailed, add 15c for postage. Changes of address should be sent to the Company's office in Calgary, on or before the 28th of July, 1934.

SIMPSONS, LIMITED

Preference Dividend No. 11

NOTICE is hereby given that a Dividend of One Dollar per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company has been declared payable on August 1, 1934 to shareholders of record at the close of business on the twenty-first day of July, 1934. The transfer books will not be closed.

FRANK HAY, Secretary

Toronto, July 13, 1934

Wheat

From Our Grain Correspondent

All Prices Advance

WINNIPEG.—Led by Winnipeg and Chicago, world wheat markets have made an encouraging advance during the past week, and Liverpool and Argentine prices have advanced. It is still the case, as it has been for some time, that the Winnipeg market is proportionately higher than others, and if ideas or values held here are to be confirmed considerable advances are due elsewhere more than in Winnipeg. Chicago prices, of course, are higher than those in Winnipeg, but considering the different set of influences to which the two markets must ultimately respond, the spread has seemed much less than was likely to develop before long.

The rate at which the corn crop in United States is deteriorating under the effects of heat and drought has been a major factor in the advance in all grains in the southern market, and that has been sympathetically reflected in the Winnipeg market. Any quick rise in the southern market tends to bring buying into Winnipeg, and our market here is so narrow, with the great bulk of wheat still in Government hands that it is easily influenced upward.

High prices in Winnipeg have been making a comparatively sheltered market for both the Argentine and Australia to sell wheat, and they have been providing the bulk of export sales. The Argentine Government, which is really in control of the export situation there, has lately been moved to mark up the price of its wheat, which it has been able to do and still maintain a large differential under Canadian wheat, and this by influencing Liverpool upward allowed the advance to be maintained in Winnipeg.

• • •

News Annoys Traders

TRADERS express annoyance at the London dispatches anouncing efforts to be renewed in August to bolster up the London wheat agreement, and the accompanying stories to the effect that international action is still necessary to curb world wheat supplies which are declared to be burdensome. Such statements, in apparent contradiction to the actual course of events which at last is moving the price trend upward, are at the least not constructive. They are quite inconsistent with the restrained selling policy evidently being followed on behalf of the Canadian Government. The fact that the United States is taking the initiative in trying to prolong international conversations in spite of the fact that that country has no wheat to export is taken as reflecting expected difficulties in maintaining processing tax and concurrent acreage reduction payments to farmers.

• • •

Carry-over Underestimated

WESTERN farmers continue to deliver over half a million bushels of wheat a day to country elevators, indicating an important underestimate either of last year's crop or of wheat carried over on farms. Consequently the reduction in carry-over from last year's officially stated quantity will be less than earlier expected.

• • •

European Crops

ALTHOUGH European dispatches continue to stress disappointing crop weather, the reduction in estimated quantities of wheat remains smaller than might have been supposed. Although it is thought that both Great Britain and the continent will have to import at a decidedly higher rate during the coming season, buyers are apparently slow in making commitments.

• • •

Western Crops Deteriorate

WESTERN crop prospects have deteriorated to an important extent during the past week. Hot dry weather has been shrivelling crops that earlier, during the season of apparent abundance of rain, seemed to have an excellent chance, exposing the fact that soil reserves of moisture were insufficient to carry the grain for long without renewed precipitation. Grasshoppers have been very active, and swarms of them on the wing have devastated fields formerly thought safe from their ravages.

The Saskatchewan area of total or partial crop failure has been enlarged to a considerable extent. There is still a large area of excellent crop, but it is decidedly smaller than ten days ago. Western expectations of yield, both of wheat and of coarse grains are decidedly smaller than a week ago. It is evident that a considerable area of the south country will require continued relief. Late sown crops in the bad area, intended to provide feed by taking advantage of the June rains have been a disappointing failure.

NOTICE

Quebec Apartments, Limited

Holders of Quebec Apartments, Limited, First Mortgage Bonds are hereby notified that the Plan of Reorganization of said Company is now effective and are requested to communicate with Montreal Trust Company, P.O. Box 1590, Montreal, in order to obtain forms of Letter of Transmittal which must be signed and accompany the Bonds when surrendered to the Trustee in exchange for the securities to which they are entitled under said Plan.

QUEBEC APARTMENTS, LIMITED,

O. D. McCOOEY, Secretary.

Quebec, July 9th, 1934.

15 to 25 PER CENT WILL BE EARNED AND PAID ON A $25,000 INVESTMENT

Established wholesale manufacturing concern requires additional capital to take on exclusive Canadian Selling and Manufacturing rights for nationally advertised profitable American product that can be steadily and consistently sold through the best stores in every city and town in Canada.

Will give representation on directorate and joint control of expenditures. Might consider active partner or reduced investment. References exchanged. Please state available capital. Box 21, Financial Post, Toronto.

Grain and Milling in Canada

PROVINCES SHELVE WHEAT MARKETING EMERGENCY ACTS

Official Announcement by Sask. Minister Was as Expected

From Our Own Correspondent

WINNIPEG—Provincial Treasurer MacPherson, of the retiring Saskatchewan Government, defeated in the recent election, has announced that the government of which he is a member has no intention of doing anything to bring into effect the provincial law concerning restriction of wheat marketing.

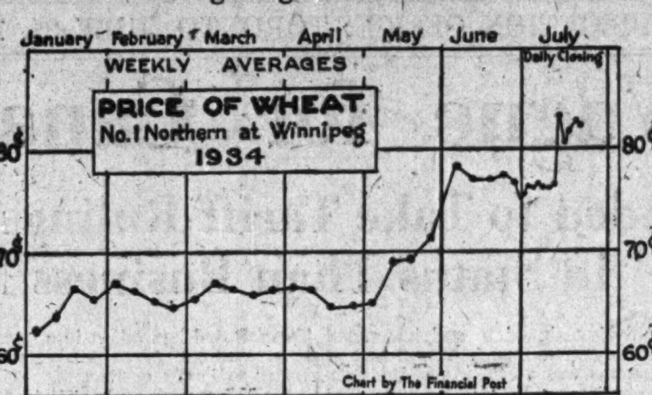
Each of the three western provincial legislatures passed an "Emergency Wheat Control Act," presumably based on the London Wheat Agreement, empowering its government to set up provincial machinery to apply a quota system of deliveries by farmers, in case the West should be found to produce a crop larger than could be sold under the provisions of the London agreement.

Too Difficult to Enforce

In each province the law may now be considered a dead letter. In fact, in spite of the drastic provisions of the legislation in question, there has never been any expectation that it would be proclaimed as effective. The administrative details of carrying out any such plan seemed to be insuperable, and in spite of the pressure each government applied in the legislature to get the bills through, no attempt seems to have been made in any province to work out any plan for putting the scheme into effect if it should seem to be required.

Besides the quota system of deliveries each provincial act gave the provincial government power to convey to a Dominion wheat board, if one should be established, powers to act within the province in relation to matters of property and civil rights. These provisions at the time were considered of importance, in view of the possibility that the government might be moved to establish such a board. But they also turned out to be without effect, when it was made plain at Ottawa that if the Dominion Government did appoint a wheat board it would proceed, not under any such legislation, but rather under the wide and general powers of the Emergency Relief Act.

Drought Again Boosts Prices



For the second time in the past six weeks, wheat prices at Winnipeg have moved sharply upward on receipt of news of short crops in the United States. This time, it is stated, the small corn crop estimate is the chief cause, as an inadequate supply of this important foodstuff should boost demand for wheat.

Crop Impairment General During Past Fortnight

But This is Usual in July and Therefore Already Discounted — Total Failure Area in Southern Section is Considerable

From Our Own Correspondent

WINNIPEG.—Prospects for the western crop have gone back seriously since the first week of July, but to what extent it is impossible yet to determine. That, of course is the usual July situation, for the crop is usually in its best condition at the end of June, and the troubles which affect it usually come after that date. A crop which realized its possibilities at the end of June would be far greater than the country is accustomed to produce. On that account there is frequently a tendency for July damage to be exaggerated, as prospects then are contrasted with what was earlier hoped for.

Nevertheless it is apparent that the extent of total and partial failure of crops, especially in the southwestern part of Manitoba and southeastern part of Saskatchewan, is considerable.

Drought Chief Cause

Mainly that is due to drought, although grasshoppers have also been responsible for a good deal of damage. In other parts of the country a certain amount of hot, dry weather has disclosed the fact that accumulation of soil reserves of moisture from June rains was much less than was supposed to be the case, and a good deal more rain would have been required to produce the large crop that at one time seemed in prospect. Against these conditions, however, must be reported other large areas in which conditions to date seem entirely satisfactory, and where very large yields are still possible and are confidently hoped for. Alberta still continues to be the province with the brightest outlook, although in considerable parts of central and northern Saskatchewan, and of Manitoba, conditions are excellent.

Need More Rain

It still remains the case that weather between now and harvest time will have an important effect on crop results. Broadly speaking, the cooler the weather and the more rain, the better the prospects, subject always to the fact that late crops in the north run risk of frost damage.

Grasshoppers continue to do a good deal of damage, but the total loss on account of them will be much less than was earlier feared. A disturbing feature of the poisoning campaign against them is the discovery that thousands of gulls nesting in northern lakes have been poisoned by arsenic, presumably from eating the bodies of grasshoppers which have been killed, but possibly also from direct consumption of poison bait. These gulls, in districts where other forms of insectiverous birds are comparatively rare have been extremely valuable allies of the farmers, capable of destroying many more insects than could be accounted for by poisoning in the areas they frequent.

Reduce Weeds

In other places it is believed that grasshoppers have helped in keeping down weeds. There are parts of Manitoba, once heavily infested by sow thistle where that during the past few years has almost entirely disappeared, its succulent stalks being apparently more attractive than any other forage.

Further Advance In Durum Price Seen as Likely

From Our Own Correspondent

WINNIPEG—The world scarcity of Durum wheat, to which attention has several times been called in these columns, has been reflected in a sharp advance in the premiums for Durum wheat on the Winnipeg market.

Whether Manitoba's supplies of Durum wheat this year will go to Italy or to the United States is still a matter of conjecture. Macaroni makers in the United States are going to be so short of their raw material that they could easily absorb the whole Canadian crop of this type of wheat, and still not have their needs satisfied. They might, of course, adopt the practice, followed in Canada, of making macaroni out of hard spring wheat, but that also will be scarce. In any event, as their trade is accustomed to the product made from Durum wheat, they are likely to want to continue its use.

Both Italy and Germany have in the past made duties lighter against Durum wheat than against other kinds of wheat, and a repetition of that action again this year would seem likely. It is conceivable, although perhaps less likely, that the United States might make a similar relaxation this year, although those farmers who have grown this type of wheat and find themselves with an extremely small crop would doubtless object to anything that tended to hold down the price they might otherwise get. Should all three countries discriminate in favor of Durum imports, it would create a possibility of much higher premiums for this type of wheat than have yet been seen.

Prairies Need Rain To Stop Crop Losses

Despite general and heavy precipitation during June, immediate further rains are needed in almost all parts of the West in order to stop the rapid deterioration of the crop, according to the crop report of the Dominion Bureau of Statistics dated July 17. Shortage of reserve moisture has been emphasized by the dry weather of the past three weeks, the report states.

Grasshoppers have been hatched in thousands during the warm dry spell, the report continues, but although there has been considerable migration, actual damage is limited to the southern sections. Rust damage is reported from Southern Manitoba but there is little in the other two provinces. Alberta crops continue good owing to larger reserves of moisture in the soil.

DIVIDEND NOTICE

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 63

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on September 1, 1934, to shareholders of record at the close of business on August 1, 1934, free of any tax payable at the source under the Canadian Income War Tax Act.

By order of the Board.

BALMER NEILLY, Treasurer.

Dated at Toronto, July 12, 1934.

Frost, Hail and Pests Reduce Saskatchewan Crop

From Our Own Correspondent

REGINA.—Downward revision of Saskatchewan's wheat crop will be in order until time for harvesting. In mid-June an estimate of 160,000,000 bushels was possible. In the third week of July almost 20,000,000 can be deducted. Frost, hail, drought and grasshoppers have taken their toll.

The disease attacking grasshoppers which was reported during the second week of July has not shown signs of spreading in a general way. From Alberta in the Veteran district comes a report that ichneumon flies have been attacking hoppers and causing heavy mortality.

La Tuque Pays Interest Due Up to May 1, 1934

Town of La Tuque, Que., has been authorized by the Quebec Municipal Commission to deposit funds sufficient to cover coupons due on or prior to May 1, 1934, and accrued interest on overdue bonds which has not been met.

Holders of overdue bonds, upon which interest is paid by the municipality, but which do not bear coupons, are asked to register with the secretary-treasurer, P. E. Riberdy, La Tuque. Cheques will then be mailed covering payment of interest.

Firestone Treasurer

T. M. MAYBERRY

Appointed treasurer of Firestone Tire & Rubber Co. of Canada, Hamilton. Mr. Mayberry has been connected with the parent company in the United States for the past six years, prior to which he was on the staff of the Bank of Montreal in various Canadian branches.

Key Facts About Wheat

	Week	Prev. Week	Same Week Year Ago
	bu.	bu.	bu.
Canadian Wheat in Store:			
Fort William, July 13	57,609,767	56,547,251	60,154,977
Country elevators, July 6	73,141,702	76,195,217	78,155,791
Total, all points, July 6	189,186,468	189,558,892	201,391,708
World Shipments, incl. flour: July 9—			
North American	3,182,000	3,369,000	4,368,000
Argentine	3,112,000	3,738,000	3,928,000
Black Sea*	16,000	......	....
Australian	1,667,000	2,966,000	1,472,000
Total, world	8,505,000	10,705,000	10,016,000
Visible Stocks:			
Argentine, July 9	20,207,000	20,574,000	14,328,000
Australian, July 9	63,496,000	66,752,000	39,248,000
Canadian Marketings and Exports:†			
Canadian exports, July 6	1,889,754	3,414,345	2,578,824
Cum. to July 6 (49 weeks)	145,295,897	143,396,143	215,131,436
Prairie marketings, June 29	2,138,546	2,651,264	3,476,705
Cum. to June 29 (48 weeks)	216,475,339	214,336,793	360,218,924
Country deliveries, July 13‡	2,783,000	2,160,000	3,168,000
Country loadings, July 13‡	5,928,000	5,032,000	4,640,000

* Includes South Russia. † Excluding flour. ‡ Sanford Evans weekly report.

Winnipeg Grain Prices

Week to July 17, 1934

Crop year from Aug. 1, 1933 High	Low		Open July 11	High for week	Low for week	Close July 17
		Wheat				
.85¾	.62¼	July	.78	.84⅛	.78	.83⅜
.87¼	.68⅜	Oct.	.79⅞	.86	.79¼	.84⅜
.87¼	.78¼	Dec.	.80¼	.87¼	.80¼	.86¼
		Oats				
.40¼	.30⅞	July	.38⅜	.39⅜	.38⅜	.39½
.41¼	.32¼	Oct.	.37⅞	.39¼	.37⅞	.39⅜
.39¼	.35⅜	Dec.	.37⅞	.39¼	.37¼	.38⅜
		Barley				
.46¼	.35	July	.45	.46¼	.44¼	.45½
.48¼	.37¼	Oct.	.45¼	.48	.45¼	.47⅜
.49¼	.43⅜	Dec.	.45⅜	.49¼	.45⅜	.48⅝
		Flax				
1.74	1.39⅜	July	1.60¼	1.64¼	1.60¼	1.63
1.75	1.40	Oct.	1.60	1.68	1.60	1.67
1.68⅜	1.55⅜	Dec.	1.61⅜	1.68⅜	1.61⅜	1.6[illegible]
		Rye				
.59	.41⅜	July	.56¼	.59	.56¼	.58
.61	.43¼	Oct.	.57¼	.61	.57¼	.60
.62⅜	.56¼	Dec.	.58⅜	.62⅜	.58⅜	.61¼

Court Ruling Assists Firms to Reorganize

Compromises Act Will Cover International Cases Hitherto Impeded In Settlement

Bondholders of companies in receivership, such as Abitibi, Great Lakes Paper and King Edward Hotel, bonds of which were issued under trust mortgage in American and not British form, will be greatly interested in the recent decision of the Supreme Court of Canada in respect of the constitutionality of the Companies' Creditors Arrangement Act. This was passed by the Dominion Parliament last year and is expected to facilitate reorganization of companies now in financial difficulties. Various legal firms are now considering the terms of the judgment to see whether the objections raised have been effectively covered. Doubtless the provinces who challenged the validity of the Act in these court proceedings will also consider the question of appealing to the Privy Council.

Until recent years no difficulty was experienced in Canada in reorganizing companies, as the Dominion Winding-up Act and the various Companies Acts provided simple machinery for effecting arrangements with unsecured creditors and shareholders of the company. Moreover the bonds of such companies were nearly always found to be secured by trust mortgages containing "majority clauses" along the lines of the standard British provisions. These "majority clauses" enabled a meeting of bondholders by a specified majority vote, to agree to reorganization arrangements in a manner binding on all holders of bonds.

Trouble in U.S.

In the United States, however, such "majority clauses" were considered objectionable, and consequently when bond issues of Canadian companies were sold there it was nearly always necessary to eliminate these provisions or to restrict them to such an extent as to make them useless for reorganization purposes.

As bondholders' meetings were thus unknown in the United States reorganizations could only be affected through proceedings in the courts for the enforcement of the mortgage security. Over a long course of years a practice was built up of equity foreclosureship proceedings, under which a committee acting on behalf of the bondholders would buy in the properties covered by the bond mortgage for the purpose of effecting a reorganization. Those bondholders who did not accept the foreclosure plan had to be paid off in cash on the basis of the sale price.

Compromise

Eventually, however, the American courts took official notice of the reorganization plan prior to the sale and adopted the practice of having a public hearing on the plan, when any objections to it could be raised. It thus came about that the sales, when made for reorganization purposes, were often made by the court at practically nominal prices, the court having already approved the reorganization plan. Indeed recently judges went so far as to dispense with the sale altogether and endeavored to bring the reorganization plan into effect by perpetual injunctions.

Some Doubts

No similar practice to the above existed in Canada, and consequently when Canadian companies became faced with the need of effecting reorganization with the holders of bonds issued under trust mortgages in American form, serious difficulties in the way of bringing about reorganization were encountered. It was largely for the purpose of meeting this situation that the Dominion Companies' Creditors Arrangement Act was passed. Grave doubts, however, were entertained by the legal profession in those provinces of Canada where English mortgage law prevails as to the right of the Dominion Parliament, under the heading of "Bankruptcy and Insolvency" to pass legislation which would affect the rights of bondholders as mortgagees, in which respect it was thought their position might be entirely governed and controlled by Provincial law.

Meanwhile, in view particularly of the situation brought about by the depression, the American equity foreclosure procedure was found to be increasingly unsatisfactory. Finally during the last lame duck session of Congress, with a strong recommendation by President Hoover, amendments were made to the United States Bankruptcy Act which provided for the reorganization of railroad companies with the consent of two-thirds in value of secured and unsecured creditors, subject to the approval of the court. Similar legislation was also introduced in regard to municipal and other corporations, but owing to a difference of opinion between the Senate and the House of Representatives this legislation was not passed at that session of Congress. It was, however, reintroduced at the present session, and on June 7 last President Roosevelt signed the bill providing for the reorganization of ordinary corporations, provisions for granting of relief to municipalities having been passed earlier in the session.

An Effective Law

The United States is, therefore, now provided with a complete reorganization law applicable to corporations of every kind, and this law follows the principle of the reorganization law which has been in effect in the British Isles for over sixty years and has worked very satisfactorily.

If the constitutionality of the Dominion Companies' Creditors Arrangement Act is finally established, Canada also will have an effective, modern and satisfactory reorganization law.

Barclays Bank Stock Increase Given Approval

From Our Own Correspondent

MONTREAL. — Shareholders of Barclays Bank (Canada) have approved of a by-law increasing the capital stock of the bank from $500,000 to $1,500,000. Some four or five weeks will pass before the by-law is put into effect, as it will take that length of time to complete legal formalities.

As mentioned in the June 2 issue of The Financial Post it is not the intention to make a public offering of the additional stock. The added capital will be subscribed for by present shareholders. Aside from a small amount of stock held by the directors, the bank's stock is owned by Barclays Bank, London, and Barclays Bank, British Colonial and Overseas, London. The former holds 2,638 and the latter 2,122 shares out of a total issue of 5,000 shares.

As far as can be learned at this time, the additional capital will be used by Barclays Bank in the ordinary course of its business.

During the early part of its establishment, there was talk of setting up branch offices in one or two of the principal Western Canadian cities, but to date operations have been confined to Montreal and Toronto.

London Chamber Criticizes German Debt Clearing

The British scheme for setting up a clearing house in London for the declared purpose of collecting debts from Germany, is criticized strongly in the July issue of the Chamber of Commerce Journal, official publication of the London Chamber of Commerce.

The Journal states that what Great Britain might gain by building up foreign exchange credits on Germany would be lost by the Empire as a whole because Australia, Canada and India sell far more to Germany than they buy from her. The clearing house is not expected to become operative at present.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Holt, Renfrew

Will you be kind enough to let me have a report on the first mortgage bonds of Holt, Renfrew & Co. Will the company redeem these bonds when they fall due in 1937?

At the end of last year, Holt, Renfrew & Co. had outstanding $421,500 of first mortgage bonds. Though the company has been operating at a loss for the last three years, we understand that it has been able to maintain full service on these bonds. At the same time the working capital position of the company remains at a satisfactory level, current assets at the end of January, 1934, exceeding current liabilities at the same date by $865,464. The ratio between the two was 35.09 to 1.

While it is difficult to forecast what is likely to happen over the next few years, judging by the current balance sheet, there would not appear to be any particular reason for doubting the ability of the company to take care of its funded debt when it matures on August 1, 1937. It is reasonable to expect that earnings will pick up, while at the same time the company has substantial assets back of its bonds.

General Brock Hotel

I hold $2,000 of General Brock Hotel bonds and am interested in the proposed reorganization scheme. Would it not be better to leave well enough alone, and "let the tail go with the hide," if necessary, rather than take a second mortgage bond and perhaps be squeezed out?

Unfortunately for bondholders, the General Brock Hotel is hardly in a "well enough" position to be "left alone." The reorganization scheme, in brief, provides for a change in control of the hotel from the hands of those who underwrote the company and others who contributed cash for shares to those of George H. Ross of Montreal. Mr. Ross will hold 48,000 of the proposed 78,000 common shares and all of the proposed 500 shares of six per cent preferred stock for which he will pay $50,000. Mr. Ross, therefore, would be putting up the necessary working capital, which the company needs badly, would hold control of the hotel but would still have to meet the mortgage obligations.

The plan proposes that the bondholders take 25 per cent of their investment in cash. Since a new first mortgage of approximately $250,000 will be created to pay this money to bondholders, this feature of the scheme amounts to the bondholder realizing on part of his investment, and retaining the nominal amount of 75 per cent of his mortgage. The reduction of the interest rate to three per cent which is on an income basis for three years and may not be paid in that period, is a sacrifice requested of bondholders.

The question of whether it would be best to leave well enough alone cannot be answered for a long time. At present, of course, the trustee is virtually in charge of operation and it is claimed that this is really a successful plan for hotel operation. Therefore, it may be better to have new parties in control such as Mr. Ross provided, of course, they have the ability, experience and good fortune to run a hotel on a profitable basis. Management should have an incentive.

As matters stand at present, however, bondholders are getting no interest, appear to have almost no chance of realizing any principal, and may not be assured of aggressive management of their property.

The very fact that the bondholders are getting no interest on their investment would appear to indicate that it is time something was done to try to earn something for the bonds. It is true, of course, that bondholders will have only a second mortgage if they accept the scheme. However, they will have received 25 per cent of their investment in cash by raising the first mortgage. When this is taken into consideration bondholders may not be sacrificing much security by approving the scheme. If the full security is there, (which has been considered doubtful for some time) the present scheme apparently offers sufficient relief to the company to enable it to prove it by earning something. If this is accomplished, bondholders will get at least three per cent. If it is not, there would appear to be little hope for them either way.

Toronto Elevators

I would be interested in obtaining from you information concerning Toronto Elevators which might help in determining whether or not this is a good investment.

Toronto Elevators was incorporated in 1928. It has a capital of $1,500,000 of authorized, issued and outstanding seven per cent preferred shares and 25,000 shares of common stock outstanding out of an authorized amount of 40,000. It has one subsidiary, the Sarnia Elevator Co. which operates a 3,000,000 bushel elevator. This subsidiary company owed the city of Sarnia $665,577 at July 31, 1933, being balance owing on agreement of sale. This loan is included in the balance sheet of Toronto Elevator as a deferred liability.

Net profit of Toronto Elevators for the ten months ended July 31, 1933, was $150,022. Previously, the company's fiscal year had ended Sept. 30 and for the year ended Sept. 30, 1932, net profit amounted to $230,691; 1931, $205,490; 1930, $153,594. Dividends have been paid in full on the preferred stock to date and have been earned in every year since the company's formation. An initial common dividend of $1.00 per share was paid October 25, 1933, and another dividend of $1.00 a share was paid on Dec. 1 last. Between 1929 and 1933 the company built up surplus from $121,497 to $423,244. Working capital in 1929 was $139,876 and in 1933 was $576,857.

Last year the company showed bank loans of $3,510,000 compared with $1,565,000 in 1932, secured chiefly by inventories which rose to $3,505,495 in 1933 compared with $1,253,325 in 1932.

The president in the last annual report remarked that while movement of grain has been limited, good storage earnings have accrued. The company's feed plant which manufactures "Master Feeds" has shown increasing volume.

Richmond Building

What is the present position of Richmond Building Ltd., operating the "Central Building," and when was interest last paid on the bonds? What is the price of the bonds?

Richmond Building Ltd. has been in default of bond interest since July 1, 1933. The trustee for the seven per cent first mortgage, the Royal Trust Co., Toronto, is in possession of the property.

We understand that there is no immediate prospect of an interest payment and there are some tax liabilities against the property which will have to be cleaned up before there will be anything for bonds.

A bondholders' meeting may be called in the fall of this year, at which time complete information as to the situation will probably be given to bondholders.

The building is centrally located, near the heart of Toronto's retail and financial district and has had a fair record of occupancy. However, the decline of rentals during the depression has seriously reduced earnings.

The market for the bonds is approximately 19 bid, 23 asked.

B. C. Power

I am considering purchasing a few shares of Class A stock of B. C. Power Corp. and would like to have your opinion on this security.

B. C. Power Corp's. interim monthly statements indicate that profits during the past fiscal year were on a basis somewhat larger than in the 1933 fiscal year, when the company earned $1.54 a share on its Class A stock. Since that time, the dividend on the A stock has been reduced from $2 to $1.50 a share.

For the eleven months of the fiscal year ended last May 31, B. C. Power Corp. showed net operating profits of $3,862,127, or $129,783 more than in the corresponding period of the previous year. It is to be expected, therefore, that income in 1934 will be on a larger basis than in 1933, but it is unlikely that the management will take any steps to increase the dividend to its old rate of, namely, $2 a share.

This company has had to contend with a heavy increase of taxation, approximately 8 per cent of its gross revenue goes to the Dominion, Provincial and Municipal authorities. The matter of taxation is an important one to the company. There does not appear to be any prospect of relief for the near future.

Godfrey Realty

Is there any scheme on foot to enable Godfrey Realty Corp. to continue the interest payments on its bonds? I hold one of these and would appreciate any information you can supply.

Godfrey Realty Corp. made an adjustment with bondholders in 1933 by which coupons due up to and including June 1, 1936, were exchanged for semi-annual income certificates. There was no payment on the income certificate on Dec. 1, 1933, but three per cent was paid on June 1, 1934.

The building is reported to be currently earning at the rate of about three per cent per annum on the bonds.

Gordon Thorley, president of Godfrey Realty Corp., stated at the time of payment of the last three per cent that "it is almost certain" that a payment will also be made Dec. 1, 1934. We understand that there are no tax arrears against the property in contrast with the position of many real estate companies.

By the exchange of bond coupons for the script income certificates, bondholders virtually converted their interest into a charge on income. Each unpaid coupon is cumulative and bears interest at six per cent. Thus, with the payment of three per cent on June 1 last, there was also interest paid on the interest at six per cent from Dec. 1, 1933. You can see that this scheme enables the company to keep its cash position and tax obligations healthy, and also allows a payment of some interest whenever the income for same is available.

Yield on Bank Shares

How is it that the yield on shares of Banque Canadienne Nationale is much larger than that on Bank of Montreal stock? Does this mean that Banque Canadienne Nationale can pay a higher rate of dividend?

You have apparently confused the meaning of the yield basis of estimating the return to the investor on an investment in shares of Banque Canadienne Nationale or in Bank of Montreal.

Banque Canadienne Nationale pays an annual dividend of $10 on its $100 par value shares. Bank of Montreal is paying at the rate of $8 on its $100 par value shares. The yield to the investor, then, depends on the price at which the shares are selling. For instance, if the shares of both banks were selling at $200 each the yield on Bank of Montreal stock would be four per cent and on Banque Canadienne Nationale five per cent.

The rate of dividend that the two banks pay on their shares is the amount that the directors determine is reasonable on the basis of the bank's profits. But the value of the shares on the stock exchange determines the yield to the investor on a purchase of the bank's shares. Thus the stock of Banque Canadienne Nationale sells considerably lower on the exchanges than Bank of Montreal and this is the case despite the fact that Banque Canadienne Nationale pays a higher dividend. Thus, it is not Banque Canadienne Nationale which is determining ability to pay a higher rate on the investment. It is the investment market which "likes" Bank of Montreal shares, resulting in a lower dividend yield at the current price.

To calculate the yield, you should divide the rate of dividend by the price of the stock. You can see that the rate of dividend paid by the individual bank has a good deal to do with what the yield calculation will be but the price of the shares is an equally important factor.

Regent Knitting

Can you let me know what progress has been made by Regent Knitting Mills? In particular I would like to know the capitalization of the company, something as to its earnings and its balance sheet position.

Regent Knitting Mills has been making progress. At the end of 1933 the company had outstanding a funded debt of $389,800; $400,000 of $1.60 non-cumulative redeemable preference stock; and 65,009 shares of no par value common stock.

While earnings of the company have been on an increasing scale in recent years, expenses have been rather heavy, with the result that since 1929 there have been no profits available for the preference stock. This has been largely due to write-offs for depreciation and the setting up of reserves for doubtful accounts, as well as writing off organization expense at the rate of $18,000 a year.

The balance sheet shows current assets exceeding current liabilities by $450,888. Substantial reductions have been made in the company's bank loan, which in 1929 amounted to $450,000 and in 1933 to $187,500. During the same period the funded debt has been reduced by over $100,000 to $389,800. As regards the outlook for 1934, the president reported at the annual meeting that book orders for January and February showed an increase of 152 per cent compared with the same period in 1933. In his opinion, prospects are that there will be a substantial increase in both turnover and profits during the current year.

Alberta Bonds

I hold some bonds of the Province of Alberta, and would appreciate an outline of the financial position of the province.

Revenue of Alberta for the year ended March 31, 1933, amounted to $15,426,264. Current expenditure amounted to $17,533,785 leaving a deficit of over $2,100,000. This was a great improvement over the previous year's deficit. When the 1934 figures are published, it is expected that the deficit will be reduced further.

In the current fiscal year which ends March 31, 1935, Hon. R. G. Reid, former provincial treasurer and now premier, has recently stated that every month except one has shown a revenue increase over the same period of last year.

The province has had to borrow from the Dominion to finance relief expenditures or bond maturities partly due to the depressed conditions of the bond market, but some financial authorities believe that Alberta will be able to finance itself within the next year.

The bonds of the province are now more highly regarded in financial markets than they were a year ago or two years ago, partly due to the reduction of expenditures by the provincial government and partly due to the improved crop prospects this year and higher prices for wheat and other raw commodities, produced in the province.

If the improvement in revenue continues throughout the current fiscal year, it is believed that there is a good chance of the province balancing its budget. Recent information of great improvement in the Manitoba budget indicates that such a development would not be unexpected for Alberta. This is naturally of prime importance to bondholders.

Bond for Stock

I hold a bond of Great Britain & Canada Investment Corp. and am considering exchanging it for shares of United Gold Equities. What do you think of this transaction?

Great Britain & Canada Investment Corp. showed a total income of $246,892 in the year ended March 31, 1934. After expenses and foreign exchange loss, bond interest was earned 1.02 times, compared with .85 times in 1933, and 1.46 times in 1932. The type of securities held in 1933 were 22.9 per cent bonds, 21.4 per cent preferred stocks and 55.7 per cent bank stocks and common shares. These figures are not available for 1934, but since the larger proportion of the company's investments are in common stocks and since dividends on such shares generally have been increasing, it is reasonable to suppose that there may be some improvement in earnings in 1935.

United Gold Equities is a management type of investment trust which was formed last year to invest in shares of established mining companies, prospecting companies, and companies connected with the mining industry. The trust paid four regular quarterly dividends of 2½ cents each and on July 10 paid an extra dividend of 2½ cents, a total of 12½ cents since its incorporation. This would indicate a yield of over four per cent. On the other hand, the interest rate on the Great Britain and Canada debenture is 4½ per cent and at the current price of around 65, the yield on the basis on which you would be selling your bond is much larger.

The choice you must make is whether you wish to exchange a first lien on all the assets and investments of a company which are secured to the extent of about 90 per cent by bonds and preferred and common stocks for shares in an investment trust chiefly concerned with mining which gives a lower yield but which may enjoy success in increasing its earnings and dividends. There is also, of course, the possibility that income of Great Britain and Canada Investment Corp. will increase substantially. In 1931, for instance, the total income amounted to $550,000 and in 1930, to $654,802. While this would not increase the income from your bond, it would improve the security.

Abitibi Common

I would appreciate your criticism of my holding Abitibi common stock. Should I dispose of it?

Until Abitibi Co. reorganization plans are made available, it is really useless to try to assess the investment possibilities of the common stock. Operations under the receiver are continuing on a fair basis but prices are still low and orders, though increasing, are not sufficient to keep more than two plants actively engaged. Recent earnings did not cover bond interest and until a report from the receiver indicates such earnings as sufficient the prospects of common are too far in the fog to see. Preferred would come first after the bonds.

Famous Players Bonds

Are Famous Players bonds and Abitibi Power & Paper bonds good investments to retain in an estate?

Famous Players Corp. bonds have continued to pay interest through the depression though that interest has not been earned by a large margin after depreciation in recent years. All operations of moving picture companies have been depressed to such an extent in this period that the company may be considered to have done well to cover bond interest at all. Under recent changes in management, the business has been conducted in a very economical manner and officials express confidence that interest will be met. In a time of active business with employment high, earnings of such a company would be good; in times of depression, earnings fall sharply. For an estate which desires safety, it might be preferable to have bonds supported by earnings which are more constant and dependable in character, but in 1934 earnings have been so far slightly better than in 1933 and the bonds are apparently well protected by earnings.

Abitibi Power & Paper Co. bonds must be considered speculative securities in view of the fact that interest is not being paid and the company is operating under a receivership. If you do not need the revenue it is possible that waiting for a reorganization plan or a sale of assets might be worth while. The company is well conducted but it is a long lane to solvency.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

"Steerers" and "Feelers"

In cold print, the machinations of swindlers and racketeers seem so childishly obvious that the victims appear to have a mentality somewhat lower than that of a subnormal three year old.

But before adopting a superior attitude to these unfortunate victims, it must be remembered that cold print cannot reproduce the swindler's personality, his suave adroitness or the convincing chain of events carefully built up to lull the victim's senses. That these must be overpoweringly strong is evidenced in the type of men and women who are robbed of their money by such methods. In many cases these people occupy responsible positions in their community, and have more than average intelligence.

A striking instance of this fact came to light a few days ago in a New York federal court where a parade of disillusioned witnesses cast pride to the winds and told of being talked out of sums ranging from $21,000 to $150,000 by an alleged gang of honey-tongued swindlers. According to the evidence laid before the court, this gang operated from Florida to Saskatchewan, had collected upwards of a million dollars, and numbered among their victims ranchers, lawyers, and a United States Commissioner.

While the stories indignantly told by the witnesses varied in minor details, the general "build-up" was the same. Some of the alleged gang were "steerers," others "feelers."

The "feelers" frequented prominent hotels, and struck up acquaintances with travellers, preferably middle-aged couples, travelling for pleasure. It was the "feelers'" job to gain the confidence of the intended victims. A charming manner and a prosperous appearance aided them.

In a Vancouver hotel, one of the witnesses, a middle-aged woman; said that the "feeler" had been having dinner with them, and had frequently apologized for treading on her foot. She denied that he had, and on looking under the table, found a well-stuffed wallet, with a business card inside. The owner of the card proved to be registered in the same hotel. In company with the "feeler" the elderly couple called on the owner of the wallet, and thus, as they found out later, met the "steerer."

It was the "steerer's" duty to "steer" the victims to Reno, Nev., headquarters for the group. This he did in a variety of ways. In the Vancouver case, in gratitude for the return of the purse, he offered to give them a tip on a race, claiming to be a member of a racing commission. This first "tip" was followed by other "tips," until the "winnings," purely hypothetical, of course, mounted to $208,000. In order to collect the winnings, the "steerer" said it was necessary to establish a bank balance of $100,000 in Reno. To do this the whole party adjourned to Reno, the victims then turning over $45,000 to their new "friend" to help establish the balance.

In another case, the "steerer" wept real big tears, as he told a 70-year-old Chicagoan, visiting Hot Springs, Arkansas, of being deprived of collecting $300,000 in winnings by lack of the necessary "good faith credit." In a few days, it was the septuagenarian who was shedding tears—over loss of $150,000.

This racket is not new—few rackets are. But it is the extent of its operations, and the standing of its victims that make it noteworthy. The state is seeking to prove that at least 42 men and women have been mulcted by this gang, which, it is claimed, includes 23 of the most expert confidence men in the United States.

Lord Nelson Hotel

Under the final reorganization the Lord Nelson Hotel Co., the Canadian Pacific Railway guaranteed interest payments on the first mortgage bonds. We notice that the plan calls for a sinking fund of 2 per cent, together with interest on the redeemed bonds. Can you tell us whether or not this sinking fund is guaranteed by the Canadian Pacific?

Under the terms of the reorganization plan for the Lord Nelson Hotel Co., as carried out at the beginning of 1932, the coupon rate of the bonds was reduced from 6½ to 4 per cent, with interest payments guaranteed by the C. P. R. The sinking fund payments on the bonds were deferred until November 1, 1933, when the plan provided for the redemption of 2 per cent of the principal amount of bonds outstanding each year, together with payment to the trustee of interest on the bonds redeemed. In respect to the sinking fund, the Canadian Pacific Railway does not assume any obligation; in other words, payments are provided out of hotel earnings.

Imperial and Pete

Between Imperial Oil Ltd. and International Petroleum to which would you give preference?

Do you consider it a possible handicap or an advantage that they are controlled by the Standard Oil Company (New Jersey)?

There are several important advantages to shareholders of Imperial Oil in having Standard Oil of New Jersey own more than half the shares of Imperial Oil, which, in its turn, controls International Petroleum. In the first place, Standard Oil can only profit from the operations of those companies to any considerable extent through dividends and, therefore, it is interested in seeing that dividends are paid wherever possible. It has also such wide affiliations throughout the world that it is able to give very valuable assistance to International Petroleum in securing world markets.

It is a difficult matter to choose between Imperial Oil and International Petroleum. Two-thirds of Imperial Oil dividends of 50 cents a share come from its earnings outside Canada and mainly from dividends by International Petroleum. International Petroleum does not publish a financial statement and one buys this stock because of the favorable dividend record and its exceptional opportunities in good times to take profitable advantage of its operations in Peru and Colombia. If you buy Imperial Oil you get an interest in both companies. If you buy stock of International Pete the future prospects are bound up in improvement of the world outlook for oil. The disorganization in the United States resulting from unchecked exploitation of oil fields is checked for the time being.

That may permit better conditions in world markets. The difficulty about prophecy is that any one major unit in world markets could precipitate a disastrous price war. Apparently all recognize the folly of letting competition get out of hand but if one began it no one could say what the ultimate results would be. But International Pete is well managed and should give a good account of itself on the long view.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Sherritt-Gordon Mines

I am interested to a comparatively small extent in Sherritt-Gordon mines and have been wondering why financial papers are abstaining from giving any news regarding it.

A large number of westerners are also interested in the Sherritt-Gordon, believing it to be a sound proposition, both financially and as to future prospects. Since the mine was working without loss when copper was worth six cents, it is difficult to understand why it remains shut down with copper at over eight cents.

Have you any information as to the future policy of this company?

The reason you have not read any recent news regarding Sherritt-Gordon Mines is because there has been none. The property has been closed down since the end of June, 1932. The company is marking time, awaiting improvement in general economic conditions and a higher price for copper.

Sherritt-Gordon Mines is a medium grade, medium cost, moderate size operation. When the metal reaches ten cents per pound officials have signified their intention of reopening the property. If this is not too far away, it has sufficient funds to meet all shut-down expenses.

You are mistaken in stating that the company was operating without loss when copper was at six cents per pound. During the six months the property was in operation in 1932 the cost per pound of copper produced was 8.7 cents. When the price of copper dropped below this obviously they were showing a loss which prompted a close-down.

Amity Gold Mines

I have been solicited by a brokerage firm to purchase shares in Amity Gold Mines. A very bright future is promised for the company but before investing I should like to receive what information you have on the company and its sponsors.

Amity Copper & Gold Mines Ltd., changed its name and reorganized the capital structure in February last to Amity Gold Mines, old shareholders receiving one new share for each four shares previously held. The reorganization of the company came when the present sponsors, Messrs. Potter and Doal, well-known promoters, took over the company after an intelligently directed programme failed to show the copper property at Boston Creek, Ontario was important. The new group acquired some claims in Dubuisson and Bourlamaque townships, Quebec. These are raw prospects and their importance has yet to be demonstrated.

Canadian Pacific Railway Company

Convertible 4% Collateral Trust Bonds
(non-callable)
Due: July 2, 1949

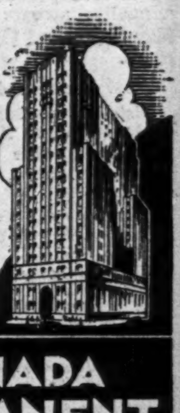
PRICE: 97.75 and Interest to yield over 4.20%

Convertible July 2, 1934 to July 2, 1941, inclusive, into Common Stock in ratio of forty shares for each $1,000 Bond.

These bonds are secured by pledge under a Trust Agreement to the Royal Trust Company of Consolidated Debenture Stock of the Company in the ratio of not less than $125 principal amount of Consolidated Debenture Stock to $100 principal amount of these 4% Convertible Bonds from time to time outstanding.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

4½% INVESTMENT DEBENTURES



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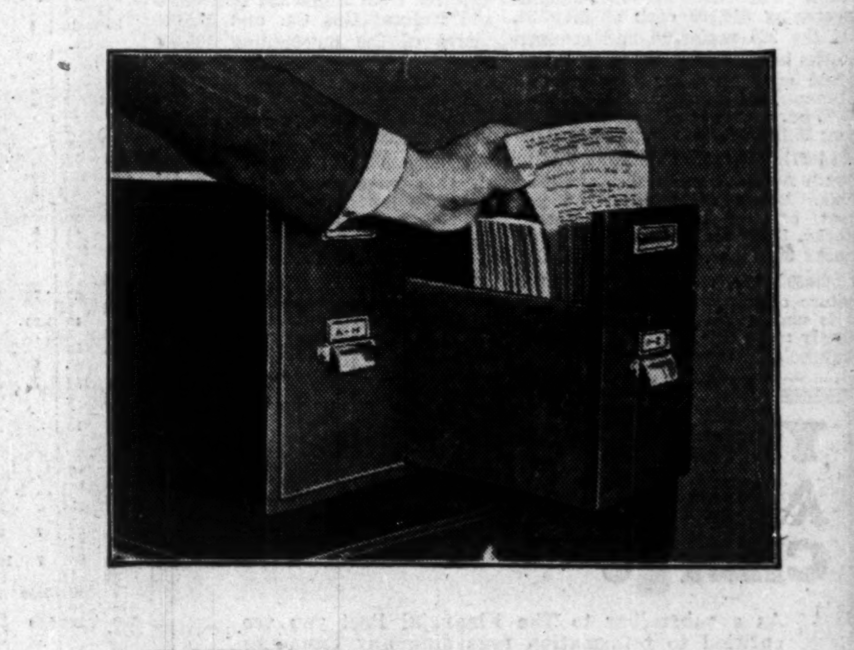

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DOM. SCOTTISH EARNINGS DOWN VALUES HIGHER

Earns $1.30 a Share on Preferred; Securities Value Up 14%

Dominion Scottish Investments had total income of $94,022 in the year ended May 31, 1934, compared with $110,152 in the preceding year. After expenses and taxes, net profits were $71,419, equivalent to $1.30 a share on the 59,700 shares of $50 preferred stock, compared with $86,414, or $1.45 a share in 1933. Nothing was earned on the common shares.

Dividends were paid on the preferred stock at the rate of two per cent, but the change in the last quarterly payment date from May 1 to June 1 made the total payment $1.08 1/3 a share for the fiscal period. Since the preferred shares are entitled to five per cent, or $2.50 each annually, arrears of dividends at May 31 totalled $194,025 or $3.25 per share.

Increased Surplus

Distributable surplus was increased by $6,744, as shown in the comparative income statement which includes only money actually received:

Income and Surplus Account Year Ended May 31,

	1934 $	1933 $
Divids., int. & other inc. rec.	94,022	110,152
Less: Rents, salaries, office & gen. exp.	11,675	11,000
Directors' fees	3,000	3,000
Int. exch., etc.	331	606
Trustees, registrars & auditors' fees	1,583	2,608
Net earnings	77,433	92,938
Less: Income tax	6,014	6,524
Net profit	71,419	86,414
Less: Pref. divids.	64,675	59,700
Surplus	6,744	26,714
Add: Previous surplus	54,943	28,229
Balance forward	61,687	54,943

Created Capital Surplus

Major balance sheet change is inclusion of $1,293,895 of capital surplus. This represents an amount of $1,440,000 created by writing down the 60,000 common shares from $25 each to $1 each with shareholders' sanction, less losses realized on investments. The latter totalled $146,105, compared with $98,149 at Feb. 28, 1934, and $49,338 at May 31, 1933. Directors propose to write off losses against this capital surplus.

Investments are carried in the balance sheet at cost of $4,419,432, or $84,798 lower than last year's $4,504,230. They are also shown at market value of $2,116,757, an increase of $259,654, or 14 per cent, over last year's figure of $1,857,103. C. S. MacDonald, chairman, comments: "The unprecedented and sustained fall in market quotations for all classes of securities represents illusory values which the shareholders should bear in mind are no guide to real values. Your trust has kept free of debt and has therefore not been forced to liquidate securities at sacrifice prices."

Investments Classified

The trust had 274 investments, averaging $16,129 each at May 31. Of the 220 preferred and common stocks held, 201 are listed on recognized exchanges, the report states. Summary of investments shows that 60.76 per cent are in Canadian securities; 28.18 in the U.S.A.; 5.48 in British territories; 2.59 in Europe; 1.71 in South America and 1.28 per cent in Asia. Bonds comprised 17.74 per cent of the holdings; preferred stocks, 23.59 per cent, and common stocks 58.67 per cent. There is also a classification according to the nature of the various undertakings. It is understood that the trust will supply more detailed information to shareholders upon request.

CANDN. GENERAL EARNS 21¼ CENTS FIRST 6 MONTHS

Investment Firm's Assets Increased $955,399 in Value

Net income of Canadian General Investments was $130,112 in the six months ended June 30, 1934, equivalent to 21¼ cents a share, compared with $110,106 in the same 1933 period, equivalent to 18 cents a share. Dividends of 20 cents a share were paid, compared with 17½ cents in the 1933 period.

After payment of dividends, $9,364 was added to surplus.

Income and Surplus Account Six Months Ended June 30

	1934 $	1933 $
Net income*	130,112	110,105
Less: Dividends	120,748	105,645
Surplus for period	9,364	4,460
Prev. surplus	60,772	48,181
Surplus†	70,136	52,641

* From investments after all expenses.
† Before provision for income tax.

Rt. Hon. Arthur Meighen, president of the investment firm, states in his letter to shareholders which accompanies the statement, that the net value of the company increased from $4,293,232 to $5,248,631, an appreciation of $955,399, or 22.2 per cent in the six months. He adds:

"Net liquidating value of the capital stock of Canadian General Investments based on market quotations is $8.57 per share as of June 30, 1934, as compared with $7.01 as of Dec. 31, 1933, and $7.50 as of June 30, 1932...

"Loans have been reduced from $390,000 as of Dec. 31, 1933, and now stand at $261,947."

Mr. Meighen also states that approximately 85 per cent of the company's funds are invested in Canada. In this connection it is indicated that less violent fluctuations in security prices in Canada than in the United States have been instrumental in bringing about the increase in value of assets this year.

HIGHWOOD SARCEE REPORTS ASSETS AT OVER $153,000

Treasury Contains 457,657 Shares of an Authorized 2,000,000

Highwood-Sarcee Oils was listed on the mining section of the Toronto Stock Exchange on July 9. Of an authorized capitalization of 2,000,000 no par value shares, 1,376,659 shares were issued to Highwood Petroleum and Natural Gas Co. in 1930 in payment for the assets of this company purchased by Highwood Sarcee. Another 165,684 shares were issued for the purchase of shares of Sarcee Oil and Development Co. in 1930 bringing the total number of shares issued to 1,542,343 and leaving 457,657 shares in the treasury.

The company owned 45 leases acquired from Highwood Petroleum and Natural Gas Co. and 132,840 shares of the outstanding 135,000 shares of Sarcee Oil and Development Company. In addition, the company controlled Pine Hill Petroleum in which concern it owned 255,000 shares.

A balance sheet as at December 31, 1933, shows current liabilities including taxes accrued and directors' fees accrued of $70,737. Including dominion, provincial and city bonds of a market value as at December 31, 1933, of $136,233, current assets are shown at $153,215. None of the capital stock of the company is pooled or held in escrow.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 16

Range 1934 High	Range 1934 Low	Divd. Rate in $ July 14	Y'ld in % July 14	Stock	Sales	Close July 9 (or last)	Week Ending July 16 High	Low	Close
				A					
2.50	.90	.	...	Abitibi	2030	1.00	1.25	1.00	1.00
10½	4½	.	...	Do. pref. 6%	30	7½	8½	8	8
7¾	4	.	...	Do. cert. dep.	....	4	..	..	..
x80	80	.	...	Acme F. D'y p.	....	..	..	..	..
3	3	.	...	Acme Glove	....	3	..	..	..
25	25	3.25	...	Do. pref.	....	25	..	..	..
8½	5¾	20c	...	Agnew Surp.	80	6½	7	6½	6½
90	72	7	8.2	Do. pref.	....	85	..	..	..
7	3	.	...	Alta. Pac. Gr.	35	3	3	3	3
23	15	.	...	Do. pref.	15	15	15	15	15
2½	1½	.	...	Amal. Electric	...	1½	..	..	..
15	10	.	...	Do. pref.	250	15	15	15	15
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
13½	6¾	.	...	Asbestos v. t.	220	7	7½	7	7½
13	9½	25c	...	Assoc. Brew.	722	11	11	10½	11
93	85	7	7.6	Do. pref.	20	92	93	91¾	93
4½	4½	.	...	Assoc. Can.	....	4½	..	..	..
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
95	70	6	7.6	Huron & E. Mt.	....	79	..	..	..
15	14	.	...	Do. 20% pd.	....	14	..	..	..
8	4½	.	...	Hydro Electric	20	6½	4½	4¾	4½
				I					
180	141	10	5.8	Imperial Bank	30	173	173	166	173
15½	12½	50+15c	4.4	Imperial Oil	12936	14½	14¾	14¾	14½
14	10½	52½c	4.9	Imperial Tob.	835	10¾	10¾	10½	10¾
15	14	.	...	Inter. City Bak.	....	14½	..	..	..
§5½	5½	4	...	Inter'c Coal	....	5½	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b9½	4¾	.	...	Int. Hyd. E. A.	2400	5¾	6½	5¾	5¾
110½	99	7	6.6	Inter. Mill. pf.	2	110	106	106	106
99	84	6	6.1	Do. Series A	60	99	99	99	99
29	21½	10c	...	Inter. Nickel	10677	25½	26½	25¾	25¾
5	3	.	...	Inter. Paints	....	5	..	..	..
b6½	3½	.	...	Int. Pa. & P. A	700	3½	4	3½	3½
b3½	1½	.	...	Do. (B)	800	1½	1½	1½	1½
b2¾	1¾	.	...	Do. (C)	1100	1¾	1¾	1½	1½
b24¾	10½	.	...	Do. pref.	1000	17	17½	16½	17
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	30	.	...	West. Grocers	2	32	33	33	33
87	85	7	8.2	Do. pref.	....	85	..	..	..
39½	28	1	2.7	Weston Bisc.	815	37½	37½	36	37
110	88½	7	6.6	Do. pref.	5	110	106	106	106
5	3½	.	...	Whittall Can	....	4	..	..	..
65	35	6.50	12.3	Do. pref.	....	53	..	..	..
2	2	.	...	Windsor Hotel	5	2	2	2	2
18	5½	.	...	Do. pref.	....	6½	..	..	..
4	1¾	.	...	Winnipeg Elec.	125	2	2½	2½	2½
12	4	.	...	Do. pref.	....	10½	..	..	..
50	20	.	...	Woods Mfg. p.	....	40	..	..	..
				Z					
6½	4	.	...	Zimmerknit, c.	....	5½	..	..	..
60	50	.	...	Do. pref.	....	60	..	..	..

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
‡ Quotations for 1930.
† Quotations for 1931.
b New York Quotations.
* See "Unlisted Stocks" also.
* Plus 25c. on arrears paid July 3.
a Plus $1.50 on arrears paid July 2.
^ On account of arrears.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

July 17, 1934

Public Utility Issues:	Int. Rate	Due	Bid July 17	Asked July 17	Bid July 10
Beauharnois L. H. & Power	5½%	1973	99½	102	99½
Beauharnois Power Corp.	6%	1959	69	...	70
Beauharnois Power Corp.	5%	1973	57	59½	57½
Bell Telephone	5%	1955	108	110	108
Bell Telephone	5%	1957	108	110	108
B. C. Power	5%	1960	99½	102	99
B. C. Power	5½%	1960	102½	104	102
B. C. Telephone	5%	1960	102	104	101½
Calgary Power	5%	1960	97	99	97
Canada Northern Power	5%	1953	95½	98	96
Cedars Rapids Mfg. & Power	5%	1953	109	111	109
Dominion Gas & Electric	6½%	1945	63	65½	63
Duke-Price Power	6%	1966	94½	97	94½
Gatineau Power	5%	1956	94½	97	94
Gatineau Power	6%A	1941	90½	93	89½
Do.	6%B	1941	89½	92	88½
International Hydro-Electric	6%	1944	58½	60½	58
Jamaica Public Service	5%	1950	98	...	98
Maclaren-Quebec Power	5½%	1961	99	101	99
Manitoba Power	5½%	1951	65½	67½	65½
Montreal Island Power	5½%	1957	101	...	100
Montreal L. H. & Power	5%	1951	107½	109	106
Montreal L. H. & Power	5%	1970	107½	109	107½
Montreal Public Service	5%	1942	104½	...	104
Montreal Tramways	5%	1955	78	80	78
Montreal Tramways	4½%	1955	72	74½	72½
Montreal Tramways	5%	1941	98½	100½	98
National Light & Power	6%	1949	81	84	80
N. B. Power	5%	1937	71	74	70½
Northwestern Utilities	7%	1938	101½	103½	101½
N. S. Light & Power	5%	1958	97	100	97
Ottawa Light, Heat & Power	5%	1957	102½	104	102
Ottawa Valley Power	5½%	1970	105½	107	105½
Provincial Light & Power	5%	1946	106	...	...
Quebec Power	5%	1968	100½	102½	100½
Rio de Janeiro T. L. & Power	5%	1935	102	104	102
Shawinigan Water & Power	6%	1937	102	104	101½
Shawinigan Water & Power	4½%	1970	93	95	91½
Shawinigan Water & Power	5%	1970	100	102½	100
Southern Canada Power	5%	1955	104	...	104
United Securities	5½%	1952	79	81½	79½
West Kootenay Power	5%	1956	103½	105	103½
Western Power Co.	5%	1949	101½	...	102
Winnipeg Electric	5%	1935	93½	...	93
Winnipeg Electric	6%	1954	53½	56	53
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	34	36½	34
Abitibi P. & P. C.O.D.'s	5%	1953	29	31½	28½
Acadia Sugar	6%	1946	101	103	101
Alberta Pacific Grain	6%	1946	72	...	71
Algoma Steel	5%	1962	14	16½	14
American Sales Book	6%	1939	100	...	100
Asbestos Corp.	5%	1942	102	...	102
Atlantic Sugar	5%	1941	94	...	94
Balfour Building	6%	1934	45	47½	45
Belding-Corticelli	5%	1936	103	...	103
Bloor-St. George Realty	7%	1946	40	44	43
Booth Buildings	6½%	1937	98	...	98½
Brandram-Henderson	6%	1936	90½	...	90
British American Oil	5%	1945	102½	104½	103
British Columbia Pulp & Paper	6%	1950	66	...	66
Brown Co.	5½%	1946	56	58	56
Burns & Co.	5½%	1948	36½	...	34
Canada Biscuit	6½%	1946	20	23	20
Canada Bread	6%	1941	93	95½	92½
Canada Cement	5½%	1947	94	96	94
Canada Paper	6%	1945	88½	...	89
Canada Steamship	5%	1943	93	...	92½
Canada Steamship	6%	1941	30	32	30½
Canadian Canners	6%	1950	102½	104	102½
Canadian Consolidated Felt	6%	1940	86	...	87
Canadian Copper Refiners	6%	1945	106	108	105½
Canadian Cottons	5%	1940	101	...	101
Canadian Goodrich	7%	1943	45	...	44
Canadian International Paper	6%	1949	68½	71	67
C. P. R.	6%	1942	108	110	108½
C. P. R.	4½%	1944	91½	93½	91
C. P. R.	5%	1954	100	102	99½
Can. Rail & H. Term.	6½%	1951	21	24	22½
Canadian Vickers	6%	1947	55	58	49
Consolidated Investment	4½%	1959	70	...	73
Consolidated Paper	5½%	1961	18½	20	19
Cosmos Imperial Mills	6½%	1944	100½	...	101
Debenture & Security	4%	1936	74	...	74
Dominion Canners	6%	1940	106	108	106
Dominion Square Corp.	6%	1948	55	57½	56½
Dominion Tar	6%	1949	86½	88½	87½
Dominion Textile	6%	1949	108	...	108
Dom. Woollens & Worsteds	6%	1948	49	52	49
Donnacona Paper	5½%	1948	46	...	46
Eastern Dairies	6%	1949	73½	...	73½
Eaton T. Realty	5%	1949	97½	100	97½
Famous Players	6%	1948	91	93	91
Famous Players	6½%	1948	74½	77	74
Federal Grain	6%	1949	74½	...	74
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	46	48½	45½
French Nat. Mail S.S.	6%	1952	163	...	162
Galt Brass	7½%	1941	34	...	34
General Brock Hotel	6%	1948	28	30½	27
General Steel Wares	6%	1952	85	87½	85½
Godfrey Realty	6%	1942	45	...	48
Great Lakes Paper	6%	1950	34½	37	35
Gypsum Lime & Alabastine	5½%	1948	77½	80	78
Hamilton Cotton	5½%	1948	88	91	88
Hamilton By-Products Coke	7%	1943	101½	103½	101½
Hinde & Dauche	5½%	1948	88½	...	88
International P. & P. Nfld.	5%	1968	93	...	92
Inter City Baking	5½%	1948	79½	82	80
Lake St. John Power & Paper	6½%	1947	58½	...	57½
Lake St. John Power & Paper	6½%	1942	28	31	25
London Can. Inv.	4½%	1948	70	72	71
London Realty	6%	1950	74	...	73
Lord Nelson Hotel	4%	1947	62½	65	62
Maple Leaf Milling	5½%	1949	32	35	...
Massey-Harris	5%	1947	70	72	70
McColl-Frontenac	6%	1949	102½	104	101½
McKinnon Industries	6½%	1945	99½	...	99½
Mercury Mills	5½%	1953	71	73½	71
Metropolitan Building	7%	1944	99½	...	99½
Minn. & Ont. Paper (C.O.D.)	6%	1945	22	24	21½
Montreal Coke	5½%	1957	101½	103½	101½
Montreal Cottons	5%	1947	96½	...	96
Northern Electric	5%	1939	104	...	104
Northern Ont. Bldg.	6½%	1939	94	96½	92½
Ontario Building	6½%	1943	38	40	38
Pacific Burt	6½%	1937	100	...	100
Penmans	5½%	1951	105½	...	105½
Price Bros.	6%	1943	94	96½	94
Provincial Paper	5½%	1947	95	97½	95
Queen's Hotel	6%	1947	70	73	70
Reliance Grain	6%	1948	85	...	83½
Restigouche Co.	5½%	1948	78	81	77½
Richmond Bay Bldg.	6½%	1947	84	...	84
Riordon Pulp & Paper	6%	1942	102½	...	102½
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	97½	100	97
Ruddy, E. L.	6½%	1948	73½	...	73½
St. Lawrence Flour	6%	1941	100	...	100
Shawinigan Cotton	6%	1949	88	90½	88
Simpsons Ltd.	6%	1949	97½	100	96½
Smith Howard	5½%	1953	95	97½	94½
Steel Co. of Canada	6%	1940	108	...	107½
Stop & Shop	6%	1947	87	90	88
Toronto Carpet	6%	1944	99½	...	99
United Amusement	6%	1940	89	91½	89
United Corpns.	5%	1953	70	72	73½
United Gas & Fuel	5½%	1948	87½	...	87½
United Grain Growers	5%	1948	81½	83½	81½
Wabasso Cotton	6%	1947	95½	...	95½
Wabasso Cotton	7%	1942	97	...	97
Windsor Hotel	6½%	1943	72	...	72½
Woods Mfg.	6%	1943	85	...	85½

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto

July 18, 1934

	Rate	Due		Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar.,	1937	106.75	107.25	2.17
†Dominion	5½	1 Dec.,	1937	109.25	109.75	2.50
Dominion	5½	1 Nov.,	1934	100.50	100.85	2.61
Dominion	3½	15 Oct.,	1935	101.00	101.50	2.28
Dominion	4	15 Oct.,	1935	101.75	102.25	2.20
Dominion	5	15 Nov.,	1936	105.00	105.50	2.49
Dominion	4	15 Oct.,	1939	103.50	104.25	3.12
Dominion	4½	1 Sept.,	1940	106.00	107.00	3.24
Dominion	5	15 Nov.,	1941	109.00	109.50	3.52
Dominion	5	15 Oct.,	1943	109.75	110.25	3.80
Dominion	4½	15 Oct.,	1944	106.50	107.00	3.67
§Dominion	4	15 Oct.,	1943-45	102.85	103.25	3.58
Dominion	4½	1 Feb.,	1946	106.50	107.00	3.77
§Dominion	4	15 Oct.,	1947-52	102.75	103.25	3.69
§Dominion	4½	1 Nov.,	1946-56	105.75	106.10	3.88
§Dominion	4½	1 Nov.,	1947-57	105.75	106.10	3.91
§Dominion	4½	1 Nov.,	1948-58	105.90	106.15	3.94
§Dominion	4½	1 Nov.,	1949-59	106.25	106.50	3.96
		(with talons)				
Dominion Guaranteed Bonds						
xCan. Nat. Ry.	4½	1 Sept.,	1951	107.75	108.25	3.86
*Can. Nat. Ry.	4½	1 July,	1957	107.25	107.75	3.98
Can. Nat. Ry.	5	1 Feb.,	1954	113.00	113.50	4.00
xCan. Nat. Ry.	4½	15 June,	1955	111.00	111.50	3.94
xCan. Nat. Ry.	4½	1 Feb.,	1956	107.75	108.25	3.94
xCan. Nat. Ry.	4½	1 Dec.,	1968	106.00	106.50	4.14
§xCan. Nat. Ry.	5	1 Oct.,	1969	114.00	114.50	3.97
§xMontreal Harbor Cm.	5	1 Nov.,	1969	114.25	114.75	3.95
Provincial Government Bonds						
*Alberta	4½	1 Oct.,	1956	92.00	93.00	5.02
Alberta	6	1 Mar.,	1947	103.50	104.50	5.51
*British Col.	4½	1 Oct.,	1953	91.00	93.00	5.07
British Col.	5½	1 Feb.,	1945	99.75	100.75	5.41
British Col.	6	15 Feb.,	1947	102.50	103.50	5.61
xManitoba	5	2 Dec.,	1959	97.50	...	...
Manitoba	5½	1 Oct.,	1955	101.00	102.00	5.34
Manitoba	6	1 Apr.,	1947	103.50	...	...
*N. B.	4½	15 Apr.,	1960	106.00	107.00	4.30
N. B.	5	2 July,	1963	111.00	112.50	4.25
N. B.	5½	15 May,	1950	112.25	113.25	4.34
N. Scotia	4½	15 May,	1943	104.00	105.00	3.83
*N. Scotia	5	1 Mar.,	1960	112.00	113.00	4.17
xOntario	4	1 June,	1962	102.00	102.50	5.85
xOntario	4½	1 Sept.,	1944	107.00	108.00	3.58
Ontario	4½	1 June,	1950	106.00	106.25	3.97
xOntario	5	2 Dec.,	1960	115.50	116.00	4.01
Ontario	5½	1 July,	1946	114.00	114.50	3.97
§Ont. H. C.	3½-4-5	1 Oct.,	1952	98.75	9.50	3.84
xOnt. H. C.	4	1 Aug.,	1957	101.75	102.50	3.84
Ont. H. C.	4½	1 Jan.,	1970	109.50	110.50	4.18
Quebec	4½	1 Aug.,	1958	103.75	104.50	3.96
Sask.	5	1 Aug.,	1958	94.00	95.00	5.37
*Sask.	5	1 Nov.,	1959	94.00	95.00	5.37
Sask.	5½	1 Oct.,	1952	98.50	100.00	5.50
Sask.	6	15 Mar.,	1952	102.00	104.00	5.64
Municipal Bonds						
*Calgary	5½	2 June,	1944	90	93	6.32
*Edmonton	5½	1 Nov.,	1945	92½	95	6.11
*Halifax	5	1 July,	1961	108½	109½	4.39
Hamilton	5	1 May,	1950	108	109½	4.18
Montreal	5	1 Mar.,	1945	101½	103½	4.62
Ottawa	4½	1 July,	1945	103½	105	3.93
*Quebec	5	1 June,	1959	102½	104½	4.71
Regina	5	1 July,	1944	89	85	7.12
St. John	5	15 Dec.,	1950	106	108	4.33
*Toronto	4½	1 Jan.,	1955	104½	106	4.07
Victoria	5	21 July,	1945	91	94	5.72
Winnipeg	5	1 Mar.,	1944	93	96	5.52

†Tax Exempt Issues. *Payable in Canada and New York.
x Payable in Canada, New York and London.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

July 17, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.95	3.25
Acadia Sugar pfd.	4.30	4.80
Acme Glove pfd.	25.00	
Allens London pfd. bonus com.	34.50	
Allens Toronto pfd. bonus com.	21.50	
Allens St. Cath. pfd. bonus com.	34.00	
Andian National	38.50	40.00
Atlantic Sug. pfd.	87.00	90.50
B. C. P. & P. pfd.	6.00	9.00
Burns pfd. bon. c.	3.00	4.50
Can. Dom. Sugar	49.00	50.50
Can. Mach. c.	1.10	1.50
Can. Packers c.	33.50	37.00
Can. Packers pfd.	99.00	100.50
Can. Starch c.	8.25	
Can. Starch pfd.	81.00	
Can. W. & Cable pfd. WW	72.00	75.00
Can. Indust. "A"	160.50	
Can. Indust. "B"	160.00	164.00
Can. Indust. pfd.	140.00	144.00
Can. Westing.	44.50	46.50
Chase, pfd. bon. c.	23.00	27.00
Claude Neon Gen. Adv. Units	2.75	5.00
Comm. Finance pfd. bon. com.	9.25	
Copeland Fl. Units	5.50	
Dom. F. & Steel com.	9.00	10.00
Dom. F. & S. p.	67.50	69.50
Dom. Manuf. pfd.	62.50	
Dom. Woollens c.	1.50	2.25
Dunlop Tire pfd.	72.50	75.50
East. Dairies pfd.	14.00	16.00
Fed. Grain pfd.	16.00	18.50
For. Power Sec. pfd.	12.50	15.00
Freiman, A. J. pfd.	58.00	61.00
Gen. St. Wares pfd.	36.50	38.50
God. Elevator	7.25	8.25
Green. Wire pfd.	69.00	72.50
Guard. Realty pfd.	11.25	
Guelph Carpet pfd.	80.25	83.50
Guelph Carpet c.	10.50	13.00
Hard. Carpets Units	28.00	
Hayes Wheels pfd.	8.00	12.00
Highland Dairy c.	3.75	4.75
High. Dairy pfd.	66.00	
Int. City Bak. c.	13.00	16.50
Inter. Paints pfd.	16.00	18.50
Int. Propriet. "A"	35.00	38.25
Loew's London pfd.	3.75	4.25
MacLaren Pwr. c.	17.00	
Mansf. Theat. pfd.	26.00	30.00
Massey-Harris pfd.	19.50	21.00
Mt. Royal Hotel pfd.	2.25	3.00
Nat. Grocers c.	4.15	4.40
New Meth. Laund. pfd. bonus	48.50	
Niag. W. Weav. pfd.	38.50	
Para. Kitchener pfd.	34.50	
Para. Oshawa pfd.	41.50	
Prov. Paper pfd.	81.00	85.00
Rel. Grain pfd.	53.00	57.00
Rob. Cons. Cone	7.75	8.75
Rolland Paper pfd. WW	76.50	78.50
Ruddy, pfd.	16.50	
Serv. Stat. pfd.	44.00	46.00
Stand. Fuel pfd. bonus	91.00	
Supersilk pfd.	58.50	
Super. Pet. "B" pfd.	23.00	25.00
Thayers c.	7.00	8.00
Thayers pfd.	40.00	41.00
United Corpns. "A"	11.00	13.00
United Corpns. "B"	3.00	4.00
West. Grain pfd. bonus	5.00	7.00
Wood, A. & J. pfd.	23.00	28.50
Insurance Stocks:		
Brit. Amer. Assce.	29.00	

Insurance Stocks (Continued)	Bid	Asked
Canada Life	437.00	
Can. Fire	51.50	60.00
Confed. Life 20% pd.	124.00	128.00
Cont. Life 20% pd.	35.50	38.00
Crown Life	102.00	
Dom. Fire	91.00	
Dom. Life 50% pfd.	165.00	
Dom. of Can. Gen. Ins.	99.00	104.00
Empire Life 25% pd.	9.65	11.50
Excel. Life 30% pd.	72.50	78.00
Fed. Fire 25% pd.	35.00	
Great W. Life	335.00	
Guar. of N. A. fully paid	210.00	
Guar. of N. A. 20% paid	42.00	
Imperial Life	281.00	
Manuf. Life	221.00	226.00
Monarch Life 10% pd.	17.50	21.00
National Life 25% pd.	45.00	55.00
Sov. Life 25% pd.	15.00	20.00
Traders Fin. "A" pfd.	45.50	
West. Assur. c.	30.00	
West. Assur. pfd.	32.50	
Western Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	131.50	140.00
Chartered Trust	65.50	70.00
Lond. & West. Tr.		40.50
Premier Trust	88.50	94.00
Sec. Loan & Sav.	102.00	
Sterling Trust		45.00
Trusts & Guar.	40.00	43.50
Vict. Tr. & Sav.	121.00	130.00
Waterloo Tr. & Sav.	82.00	
Investment Trust Shares:		
Can. Gen. Inv.	5.15	5.40
Can. Int. Inv. Tr. Units	20.00	23.50
Can. Inv. Fund	3.35	3.55
Can. Investors	4.75	6.00
Cons. Div. St. Sec. pfd.	12.00	14.00
Debenture & Sec. com.	5.25	
Debent. & Sec. pfd.	21.00	
Dom. & Anglo Inv. Units	190.00	
Dom. Scottish Inv. Units	23.00	27.50
Invest. Founda. Units	38.00	41.00
Sec. Holding Units	10.00	13.00
Power Issues:		
Calgary Pwr. pfd.	87.50	90.00
Can. L. & P. c.	21.00	23.50
Can. W. N. Gas L. H. & P. pfd.	92.00	95.00
Great Lakes Power pfd.	40.00	
Inter. L. H. & P. pfd.	2.75	
Marit. Tel. & Tel. pfd.	12.60	13.75
N.B. Tel. com.	9.75	10.75
N. S. L. & P. com.	40.00	
N. S. L. & P. pfd.	86.50	
Recent London Quotations:		
Brit. Col. Tele. pfd.		$100
Brew. & Distillers		5s. 6d.
Can. & For. Secs.		5s. 6d.
Can. Collier A inc. stk.		38
Do., B		7½
Can. N. W. Land		£1½
Can. West Lumber		2s. 9d.
Hudson's Bay		24s. 9d.
Do., pref.		105s.
Internat. Holdings		1 9/16
Nfld. Pr. & Pap. deb. stk. B 5½%		101
Trust & Loan (15s. pd.)		11d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew-Surpass	...	20c	Sept. 1	Aug. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Bondon Corp. Tr. Cert.	$1.20	10c	Aug. 1	July 25
Do., extra	...	10c	Sept. 1	Aug. 28
Beatty Bros., 1st pfd.	$6	$1.50	Aug. 1	July 14
Belding-Corticelli, c.	$4	$1	Aug. 1	July 16
B. C. Telephone, 2nd pfd.	$6	$1.50	Aug. 1	July 17
Can. Northern Power	$1	25c	July 25	June 30
Can. Converters	$2	50c	Aug. 15	July 31
Canada Southern Railway	$3	$1.50	Aug. 1	June 29
Can. Bronze	60c	15c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Can. Dredge & Dock, pref.	7%	1¾%	Aug. 1	July 20
Canadian Industries com. A	$3.50	87½c	July 31	June 30
Extra	..	75c	July 31	June 30
Do., Common B	$3.50	87½c	July 31	June 30
Extra	..	75c	July 31	June 30
Calgary Power, pfd.	6%	1½%	Aug. 1	July 14
Ensign Insurance	$2.50	$1.25	July 2	June 30
Dom. Fire Insur.	$6	$3	July 2	June 30
Dome Mines	$2	50c	July 20	June 30
Do., bonus	..	$1.50	July 20	June 30
Eastern Theatres, pref.	$7	$3.50	July 31	June 30
Imperial Bank	$10	$2.50	Aug. 1	June 30
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 3
Inter. Utilities, pfd.	$3.50	87½c	Aug. 1	July 20
Do., pfd.	$1.75	43¾c	Aug. 1	July 20
Loblaw Grocet. "A" & "B"	$1	25c	Sept. 1	Aug. 14
McIntyre-Porc. Mines	$2	50c	Sept. 1	Aug. 1
Merland Oil	..	5c	July 31	July 15
Model Oils	..	3c	Aug. 18	July 28
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Mtl. L. H. & Power	$1.50	38c	July 31	June 30
National Biscuit, pfd.	$7	$1.75	Aug. 31	Aug. 17
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	$6	$1.50	July 25	June 30
Nipissing Mines	..	12½c	Aug. 15	Aug. 1
Penmans	$3	75c	Aug. 15	Aug. 6
Do., pref.	6%	1½%	Aug. 1	July 21
Photo Engravers, c.	$1	50c	Sept. 1	Aug. 15
Quebec Power	$1	25c	Aug. 15	July 23
Steel of Canada	$1.20	30c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Southern Canada Power	80c	20c	Aug. 15	July 31
St. Lawrence Flour	$1.50	37½c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Simpsons, pref.	...	$1	Aug. 1	July 21
Teck-Hughes	60c	15c	Aug. 1	July 11
Toburn Gold M.	8c	2c	Aug. 22	July 28
Vancouver W. Drug. pfd.	$3.25	81½c	July 1	June 27

Dividend Rate Increased—
McIntyre Porcupine Mines, $1 to $2 per annum.
Dividends Resumed—
Photo Engravers 50c. Sept. 1. Last paid June 1, 1932.

Winnipeg Stock Exchange

(Transactions for week to July 14)

Div. rate in $	Yield in %		Sales	High for week	Low for week	Close July 14
..	..	Bankfield	600	.90	.72½	.90
..	..	Bailor Gold	167	9.50	9.25	9.25
..	..	Clover Gold Units	2	76.00	76.00	76.00
..	..	Fifty-Three Syn.	1200	1.90	1.65	1.90
..	..	Forty-Four	85	14.75	13.90	13.90
..	..	Gabrielle	3700	.76	.73	.73
..	..	Island Lake	200	.08½	.08½	.08½
..	..	Long Lac Adair	51175	.44	.40	.43
..	..	McLeod Cockshutt	1200	.63	.57	.63
..	..	Normandy	213	11.00	5.00	9.00
..	..	Rice Lake Units	9	40.00	39.00	40.00
..	..	Scotia Gold	12050	.37	.32	.34
1	10	United Grain Growers	1	.10	.10	.10
..	..	Western Breweries	100	1.00	.95	.95
..	..	Wingold	4100	.41	.37	.41

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, pref.	..	23
Beaver Lumber, pf.	..	63	Sov. Life 25% pd.	..	17
Can. Fire Ins.	50	..	Traders' Bldg.	..	65
Crescent Cream. pf.	28	..	Can. Amer. Tr. shs.	2½	3
Federal Grain pref.	15	17	Can. Inv. Fund	..	3.55
Home Investment	20	..	Fundamental Ser. A	..	4½
Monarch Life	..	20½	Fundamental Ser. B	3½	..
Pelissiers, c.	½	..	Grouped Inc. Shs.	..	4.30

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending July 16, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
McNish	6	1948	..	3.05	3.05	..	4.25	2.75
Mtl. L.H.&Pr. debs.	3	1939	3.95	46½	46½	46½	47½	43½
Unlisted								
Bell Telephone	5	1955	4.34	..	109	..	109	..
Cons. Paper	5½	1961	...	..	19	18½	25	13½
Wpg. Electric	6	1954	...	..	54	..	54	54

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Complete mining stock quotations on page 15

Insurance for Buyer and Seller

SUN LIFE STOCK TAKES ADDED CUT IN SHARE EQUITY

Withdrawals from Non-Par Surplus Total $14,000,000 in Two Years

NOW $96 PER SHARE

"Silent Reserve" of Life Insurance Shareholders Revealed for Leading Canadian Companies

Further substantial withdrawals from the non-par surplus account of the Sun Life during 1933 are indicated in abstract figures issued by the Federal insurance department at Ottawa last week. This account which is virtually a "silent reserve" for shareholders reached a high point of $16,000,000 in 1931 and at the end of 1933 is shown to have been reduced to just under $2,000,000. At its high point of 1931 the reserve indicated an "equity" for shareholders of approximately $800 for each share of Sun Life stock outstanding. On the 1933 figure this equity is reduced to approximately $96 per share. A year ago the account stood at $4,500,000 or approximately $226 per share.

Withdrawal of this substantial cushion from its non-participating funds during the past two years brings the Sun life account more into line with common practice among insurance companies. Ten years ago the total moneys held by all federally licensed life companies in their non-participating account, under the heading "surplus," amounted to not more than about $3,000,000. This was gradually increased however until a peak of over $24,000,000 was held here by all companies in 1931. The total has now dropped to just over $8,000,000.

Reason For Importance

The significance of this particular account arises from the unusual way in which life insurance companies make up their annual statements in respect of shareholder funds. The balance sheet of each company in which there is investment interest, normally shows an item among liabilities, called "shareholders funds" but it is common practice to keep only a nominal sum in this particular account, sufficient to meet current dividend requirements and leave a small surplus in any year. It is therefore necessary to look elsewhere before attempting to appraise the true equity which shareholders hold in their company.

It is only when the detailed abstract of the federal insurance department is published each year that further insight into the accounts is possible. For the insurance blue book, in addition to the ordinary accounts of the company, makes a detailed analysis of the funds of each company as between the various branches of its business. One of these analyses is the statement showing distribution of funds as between "participating" and "non-participating" accounts. Since all the profits accruing as surplus in the non-participating account of a life company's business are by law available for distribution among the company's shareholders, this particular account may therefore be said to give an important clue as to the real equity which shareholders hold in their company.

Five Sources of Profit

It must be remembered however that altogether there are five sources from which life insurance company shareholders derive revenue. The profits in non-par surplus account are only one of these five; usually however they are the most important for this fund belongs in its entirety to shareholders and is commonly maintained as a "silent reserve," subject to periodical additions from earnings and deductions in the way of distributions to shareholders, year by year. Other sources of shareholder profit are:

1. All profits accruing from annuity business.
2. Up to 10 per cent of the distributable profits surplus in the participating account.
3. A proportion of profits actually realized upon investments in the ratio that paid-up capital plus balance in shareholders' fund bears to total invested assets.
4. Interest on the balance in the shareholders' fund, at the average net rate earned by the company's total invested assets.

Authorized By Directors

Reason for the substantial withdrawals which have been made from the nonparticipating surplus of Sun Life Co. in the past two years, is found in a special resolution passed by the directors of the company on January 3, 1933, and which has been reprinted subsequently in the blue book of the federal insurance department at Ottawa. The resolution empowers officials to transfer specifically from this fund into the participating accounts of the company, the profits which had accrued as at the end of 1932 as a result of the book value of the British £ having dropped from $4.86 to $4.20 in Canadian currency, and also "any additional sums the directors consider desirable."

The text of the resolution follows:

"Resolved, that there be transferred from the non par to the par branch, the amount, as calculated by the company's actuary, which represents the net benefit that has accrued to the non par branch as at Dec. 31, 1932, in consequence of the book value of British sterling having been reduced from $4.86 2-3 to $4.20 Canadian currency, subject to the following conditions—If at any time it shall become necessary to increase the book value of British sterling above $4.20 Canadian currency, in consequence of appreciation in the value of the pound sterling, there shall be retransferred to the non par branch such amount or amounts as may be required to provide for the net increase in the liabilities of the non par branch resulting from such increase in the book value of the pound sterling, provided that the total amount or amounts so retransferred shall not exceed the amount transferred to the par branch under this section of the present resolutions, and

"Resolved, further, that the management be authorized to transfer to the credit of the par branch from the surplus standing at the credit of the non par branch such additional sum or sums as they may consider desirable, subject to the condition that if at any time by reason of changed mortality or interest rates, or both, it be necessary to value the liabilities under the annuity or other contracts of the company on any more severe standard than that used in the annual statement as at Dec. 31, 1932, or to set aside any special reserve or reserves as instalment toward the calculation of said liabilities on any such more severe basis, or for any other reason the maintenance of a reserve in the non par branch be threatened, the management may retransfer to the non par branch from the surplus of the par branch such sum or sums as may be required to meet such a condition or conditions, according to the report of the company's actuary, but the amount they may so retransfer shall not exceed the amount which may be transferred to the par branch under this section of the present regulations.

"Of the total amount transferred in pursuance of this resolution the sum of $4,989,223.38 was attributed to the fall of sterling exchange and the balance $4,330,776.62 to other factors."

The following tables, prepared by The Financial Post from federal insurance department records, show the total amounts at the credit of non-par surplus for each life company as at the end of 1933 and also the approximate figure which this represents in shareholder equity, per share of stock outstanding. Corresponding figures are also given for 1930—a year when this surplus account was at its peak for many Canadian companies. A comparative figure of the account as at the end of 1932 is shown to indicate the changes which have taken place as far as individual companies are concerned, in the last calendar year. It will be noted that the highest equity per share is shown by the T. Eaton Life Co. for 1933. This is explained in part by the fact that the bulk of the company's business is on the non-participating plan.

It should be noted also that in addition to the $8,181,000 shown in this account for all companies, there is an additional surplus of $4,184,000 at the credit of shareholder account in the various companies. Considerably over half of this is at the credit of shareholders of three companies, namely Sun, Canada and Manufacturers Life.

	Shareholder surplus in non-participating funds 1933	1932	1930	Surplus per share of stock outstanding 1933	1930
	$	$	$	$	$
Canada	1,063,661	1,201,803	1,081,185	106.37	108.11
Commercial	17,600	1,428	......	1.16	....
Confederation	339,620	660,104	626,722	33.96	62.67
Continental	200,091	193,962	164,115	20.09	16.41
Crown	290,294	353,472	524,461	52.54	94.92
Dominion	15,834	80,572	161,199	3.95	40.30
Eaton	566,952	518,676	386,384	211.67	154.50
Excelsior	263,321	320,828	353,443	53.66	70.69
Great-West	807,860	1,152,101	1,685,058	80.79	168.50
Imperial	620	14,610	118,688	....	11.86
London	548,548	206,521	353,050	109.70	70.61
Manufacturers	1,155,347	1,440,473	1,749,301	77.02	116.62
Monarch	174,910	189,298	129,000	17.49	12.96
Montreal	60,000	50,000	35,340	6.00	3.53
National	27,765	49,132	92,953	2.78	9.29
Northern	197,943	196,085	180,263	19.79	18.03
Saskatchewan	5,398	6,792	7,453	.54	.74
Sauvegarde	62,362	60,733	64,122	5.21	5.36
Sovereign	46,268	38,119	75,312	5.05	8.96
Sun	1,924,118	4,529,427	14,829,954	96.20	741.50
	8,181,423	11,645,645	22,618,624		

Heads Norwich Union

E. M. WHITLEY

Who was recently appointed manager for Canada of the Norwich Union Fire Insurance Society to succeed the late William A. Thomson. Mr. Whitley joined the Norwich Union in the purchase by that company in 1919 of the Canada Security Assurance Co., which he had organized some years earlier. He was appointed western manager of the Norwich Union with offices in Winnipeg.

While in Winnipeg, Mr. Whitley was active in insurance circles, being chairman of the fire branch of the Western Casualty Underwriters' Association. He was also interested in the Insurance Institute, Winnipeg.

B. C. FIRE AGENTS REVIVE STRUGGLE ON COMMISSIONS

Small Town Agents Attack Appointment Methods and Compensation

From Our Own Correspondent

VANCOUVER. — A 20-year-old controversy between fire insurance agents in the smaller cities of British Columbia and their companies regarding the extent of their commissions has been revived by the representations made by the Nanaimo Fire Insurance Agents Association for a federal investigation of the whole question of rates.

Agents outside the three larger centres — Vancouver, Victoria and New Westminster—claim they are not adequately compensated for the business written; but it is argued by the companies that the increased cost of operating in the smaller communities makes it difficult to treat all agents in the same way.

The question of commissions was pretty thoroughly threshed out at a recent conference here of representatives of fire insurance companies from Montreal, Toronto and San Francisco. It was emphasized at this conference that the situation in B. C. was duplicated in other provinces, and that no action could be taken with respect to conditions here without doing the same elsewhere.

Appointments in Dispute

The system of agency appointments is said to be another point in dispute. There are two classes of agents — local agents who receive business directly from the public and general agents who are supposed to take business only from local agents. As general agents are held responsible for sub-agents' premium collection and have practically as much responsibility as company branch managers, their claim is that they should be compensated on a higher scale than local agents. Competition in the larger cities has been such as to lead several companies to appoint special general agents who receive general agency commissions but do not have any sub-agents' business to supervise. It is also said that some of the coast general agents write both direct and indirect business and that they generally receive the same commission rate for each class.

The insurance companies claim that about 80 per cent of the British Columbia business is concentrated in the three large cities of the province, and that it costs more to inspect properties, adjust claims and supervise business received in small volume from widely scattered provincial centres; consequently the same rate cannot be paid.

British Oak to Withdraw From Fire Association

British Oak Insurance Co. has announced its intention to withdraw from the C. F. U. A. and operate in Canada as a non-board company as from October 1 next. Willis Faber & Co., Montreal, will manage the company in Canada, the present Canadian manager, R. W. Nash, joining the executive of that company.

Willis, Faber & Co., Montreal, has branches in leading centres and is at present manager for the Provincial Insurance of England and Cornhill Insurance of England.

London Life Actuaries Get New Appointments

Changes in the actuarial department of the London Life made recently include the elevation of James A. Campbell from assistant actuary to associate actuary and the appointment of three new assistant actuaries in the persons of George S. Bere, Douglas P. Morris, and Way M. Bell.

Mr. Campbell has been with the London Life since 1913, Mr. Bere since 1916, Mr. Morris since 1925 and Mr. Bell since 1927.

Bank Chat on Current Topics

About That Central Bank

BANK OF CANADA, it is reported, will start operations about Jan. 1, 1935. The act creating the bank only becomes effective by proclamation of the Governor in Council. It will take some time to arrange details such as notes, offices, by-laws, and so on.

Mr. Bennett and his aides are expected to have a busy time for some months trying to select expert officials for the staff. Numerous Canadian bank men may get new jobs out of it.

Organization expenses of the bank, up to $100,000 are payable out of unappropriated moneys of the consolidated revenue fund. Such advances, if any, are to be recoverable by the Government after the bank starts business.

Annual statement of the bank is to be presented to the Government within six weeks of the end of the calendar year, which is also to be the bank's fiscal year. The annual meeting is to be held on the last Tuesday in February.

Weekly Statements

Weekly statements of assets and liabilities of the bank will be published in the Canada Gazette. So there will be some guide as to what the bank is doing.

This statement will be drawn up as follows:

Liabilities—

1. Capital paid up.
2. Rest fund.
3. Notes in circulation.
4. Deposits—
   (a) Dominion government
   (b) Provincial governments
   (c) Chartered banks.
   (d) Other.

   Total
5. Liabilities payable in sterling, U. S. and foreign gold currencies.
6. All other liabilities.

   TOTAL—

Assets—

1. Reserve—
   Gold coin and bullion
   Silver bullion
   Reserve in sterling funds
   Reserve in U. S. funds
   Reserve in funds of other countries on a gold standard

   Total
2. Subsidiary coin
3. Bills discounted—
   (a) Commercial bills
   (b) Agricultural bills, etc.
   (c) Dominion government treasury bills
   (d) Provincial government treasury bills

   Total
4. Loans and advances—
   (a) Dominion Government
   (b) Provincial governments
   (c) Chartered banks

   Total
5. Bills bought in open market.
6. Investments—
   (a) Dominion Government short-term securities
   (b) Provincial government short-term securities
   (c) Other Dominion Government securities
   (d) Other Provincial government securities
   (e) United Kingdom, other British Dominions or U. S. long term securities

   Total
7. Bank premises
8. All other assets

   TOTAL

The reserve ratio, will be stated as a percentage of net reserve to notes and deposit liabilities. This means item 1 of assets, less item 5 of liabilities, in ratio to note circulation and deposits.

News of Bank Men

A. Marshall, manager for The Royal Bank of Canada at St. John's, Nfld., retired on pension on June 30.

Staff Changes

The Dominion Bank announces the following staff changes:

L. L. LAIRD to be manager of Spadina Ave. and College St. branch, Toronto, in place of A. E. COLSON who has retired on pension.

A. N. KIDD, formerly accountant at Queen St. and Augusta Ave. branch, Toronto, to be manager at South Oshawa branch, Oshawa, Ont.

E. J. JOHNSTON to be accountant at Oshawa, Ont.

The Royal Bank of Canada announces the following staff changes:

L. F. ROBERTS, formerly accountant at Huntsville, Ont., to be manager at South River, Ont.

H. J. THOMPSON, formerly manager at South River to be manager at Thornton, Ont.

I. N. McLEAN, formerly at St. John's, Nfld., to be manager at Rexton, N.B.

K. MACKENZIE, formerly at head office, Montreal, to be manager at VanHorne and Outremont branch, Outremont, Que.

R. H. BUCKINGHAM, formerly manager at Thornton, Ont., to be manager at Elmwood, Ont.

Bank of Montreal announces the following changes in staff:

S. F. CHAMBERLAIN, formerly manager at New Toronto, Ont., to be manager at Oakwood and St. Clair branch, Toronto.

C. DYER, formerly manager at Oakwood and St. Clair, Toronto, to be manager at New Toronto.

Women Big Shareholders Of Stock in Imperial Bank

Estates and Institutional Holdings Also Prominent in List of Larger Shareholders — Lt.-Col. J. F. Michie Holds 616 Shares

List of larger shareholdings in Imperial Bank of Canada compiled by The Financial Post includes a large number of women shareholders. Estates also bulk large in the list.

Sir John Aird, president of The Canadian Bank of Commerce, holds 100 shares of Imperial Bank stock. The largest individual shareholder shown in the list is Lt.-Col. J. F. Michie, Toronto, who owns 616 shares.

The Toronto General Trusts Corp. holds 1,057 shares in trust, but probably holds more, if smaller holdings were included.

Institutional investments in Imperial bank shares are substantial. Confederation Life Association holds 600 shares; Imperial Life Assurance Co. holds 350; Dominion Life holds 300; North American Life holds 500.

The list of holders of 100 or more shares is as follows:

IMPERIAL BANK OF CANADA
(70,000 shares)

Miss A. Ainslie, Hamilton	114
Sir John Aird, Toronto	100
Mrs. M. F. Beatty, Fergus, Ont.	120
Mrs. E. C. R. Blackwood, Toronto	100
British American Assurance Co., Toronto	125
T. W. Bright, Queenston, Ont.	150
F. D. Brown, Toronto	210
Mrs. J. L. Campbell, Hamilton	100
Canada Life Assurance Co., Toronto	250
Canada Permanent Trust Co., in trust, Toronto	203
Canada Trust Co., in trust, London	150
Estate Mrs. M. Carey, Ancaster, Ont.	100
Confederation Life Association, Toronto	600
Colonial Investments Ltd., Chatham	100
Continental Life Insurance Co., Toronto	250
Estate J. L. Cook, Toronto	300
W. C. Crowther, Toronto	200
Dominion Life Assurance Co., Waterloo	300
Dominion and Anglo Investment Corporation, Woodstock	250
Estate B. Homer Dixon, Toronto	186
W. B. Disher, Ridgeway	265
Dominion Scottish Investments Ltd., Toronto	100
W. M. Douglas, Toronto	100
Mrs. P. M. Duckworth, Toronto	100
T. Eaton Life Assurance Co., Toronto	100
Mrs. E. D. Eberts, Toronto	177
Estate Judge William Elliott, London	117
Estate Miss Teresa Farrell, Halifax	465
Frowde Ltd., Waterloo	100
General Accident Assurance Co. of Canada, Toronto	200
Gordon, MacKay and Co. Ltd., Toronto	155
George C. Heintzman, Toronto	597
Estate Herman Heintzman, Toronto	114
Heintzman and Co., Toronto	100
J. W. Hobbs, Toronto	220
Estate M. J. Hogan, Port Colborne	420
Mrs. L. M. Holmes, Galt	100
Mrs. K. Howland, Toronto	603
Imperial Life Assurance Co., Toronto	350
Ipswich Investments Ltd., Toronto	195
Mrs. T. G. Jackson, St. Thomas	151
Estate W. T. Billy, Toronto	238
Miss A. L. Lawler, Toronto	392
Lang Tanning Co. Ltd., Kitchener	100
W. C. Laidlaw, Toronto	500
Mrs. Julia I. Laidlaw, Toronto	250
Mrs. Grace Laxton, Toronto	111
Wilkie Trust, Toronto	412
London and Western Trusts Co. Ltd., Toronto	251
Mrs. E. B. Love, Toronto	100
K. R. Marshall, Toronto	100
Manufacturers Life Insurance Co., Toronto	155
Estate W. H. Merritt, St. Catharines	442
Lt. Col. J. F. Michie, Toronto	616
Mrs. M. E. Moore, St. Catharines	119
Trustees for E. L. Merritt, Toronto	168
Estate Hon. Alex Morris, Toronto	228
Mutual Life Assurance Co., Waterloo	100
Estate H. F. McLachlin, Arnprior	100
Mrs. E. McGee, Ottawa	100
Robert O. McCulloch, Galt	110
Estate John McMartin, Cornwall	332
National Life Assurance Co., Toronto	291
National Trust Co., Toronto	110
National Trust Co., in trust, Toronto	112
National Trust Co., in trust, Toronto	100
Estate Samuel Nordheimer, Toronto	111
North American Life Assurance Co., Toronto	500
J. A. Northway, Toronto	371
J. A. Northway and J. B. Ratcliff, in trust, Toronto	210
Estate Eugene O'Keefe, Toronto	300
Estate J. B. Osborne, Beamsville	110
Estate J. K. Osborne, Toronto	211
Osler and Hammond, Toronto	160
A. G. Parker, Toronto	100
Richard Pashby, Toronto	143
James Paterson, Wiarton	120
D. M. Robertson, Toronto	150
George Robinson, Napanee	100
F. A. Rolph, Toronto	238
Rolph Clark, Stone Ltd., Toronto	100
Securities Holding Corporation, Ltd., Toronto	150
Richard Short, Toronto	100
Alonzo T. Smith, in trust, North Bay	100
D. K. Smith, Toronto	100
E. A. Smith, Toronto	105
Gen. W. Smith, North Bay	100
J. D. Storie, Oshawa	100
D. S. Stayner, Forest Hill	231
G. B. Strathy, Toronto	110
W. H. Swan, Toronto	100
Estate H. J. Taylor, St. Catharines	120
Toronto General Trust, in trust, Toronto	157
Toronto General Trust, in trust, Toronto	900
Mrs. M. S. Waldie, Toronto	100
R. S. Waldie, Toronto	520
Thos. L. Walker, Toronto	100
John Watt, Toronto	125
Western Assurance Co., Toronto	100
T. H. Wood, Toronto	106
Mrs. Beatrice Wilson, Toronto	302
Estate of Mary E. King, Quebec	138
John Hamilton, Quebec	100
Sydney King, St. Pacome, Que.	110
Herman Simon, Montreal	140
Mr. Justice W. A. Macdonald, Vancouver	100
G. H. Aikins, Winnipeg	261
Great West Life Assurance Co., Winnipeg	105
Western Assets Ltd., Winnipeg	101
Sellers Grain Co. Ltd., Winnipeg	101

Weekly Bank Clearings

	July 12 1934	Change yr. ago	July 5 1934
	$	%	$
Halifax	2,671,499	+11.2	2,248,946
Saint John	2,073,171	+34.3	1,698,204
Moncton	647,928	+10.1	622,891
Sherbrooke	599,752	+15.8	667,682
Quebec	4,613,795	+14.4	4,708,104
Montreal	92,751,218	—10.3	130,621,201
Ottawa	5,622,839	+42.3	4,964,040
Kingston	599,769	+ 3.7	737,472
Peterborough	793,417	+ 7.6	683,462
Toronto	103,520,513	—11.2	108,558,720
Hamilton	3,909,148	+ 3.2	4,245,935
Kitchener	1,099,195	+20.9	1,030,452
Brantford	955,487	— 5.9	976,373
London	2,487,375	+11.1	3,140,452
Chatham	432,089	— 9.6	474,959
Windsor	2,094,768	—10.3	1,956,184
Sarnia	421,419	— 6.5	350,584
Sudbury	828,089	+49.4	663,999
Ft. William	678,328	+31.2	648,213
Winnipeg	69,647,780	+20.9	52,745,937
Brandon	347,305	+ 6.8	365,726
Regina	2,644,789	—27.0	3,290,550
Moose Jaw	458,084	+ 9.6	832,479
Saskatoon	1,262,093	+ 4.4	1,226,590
Pr. Albert	272,171	+10.4	264,286
Edmonton	3,670,305	+13.4	3,900,761
Calgary	4,816,267	—23.4	5,168,596
Medicine Hat	195,868	+ 3.1	212,593
Lethbridge	355,631	— 0.5	342,845
N. W'minster	548,702	+21.5	601,239
Vancouver	15,030,985	+23.5	16,499,295
Victoria	1,619,908	+ 9.3	1,532,624

Obituary

D. R. Kelly, manager of The Royal Bank of Canada at Port Alberni, B.C., died recently.

Records for sardine herring catches in the month of June in Charlotte county waters have been broken this year.

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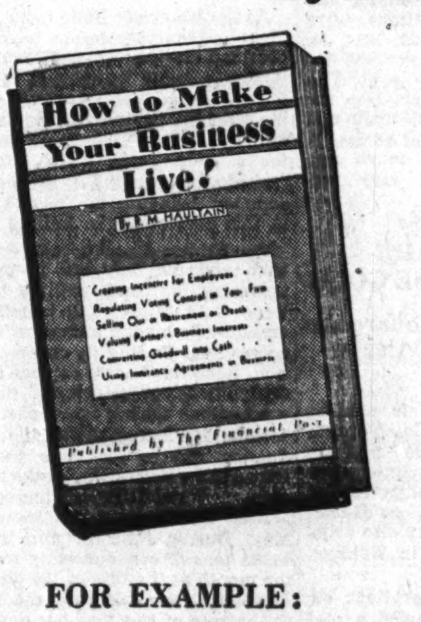

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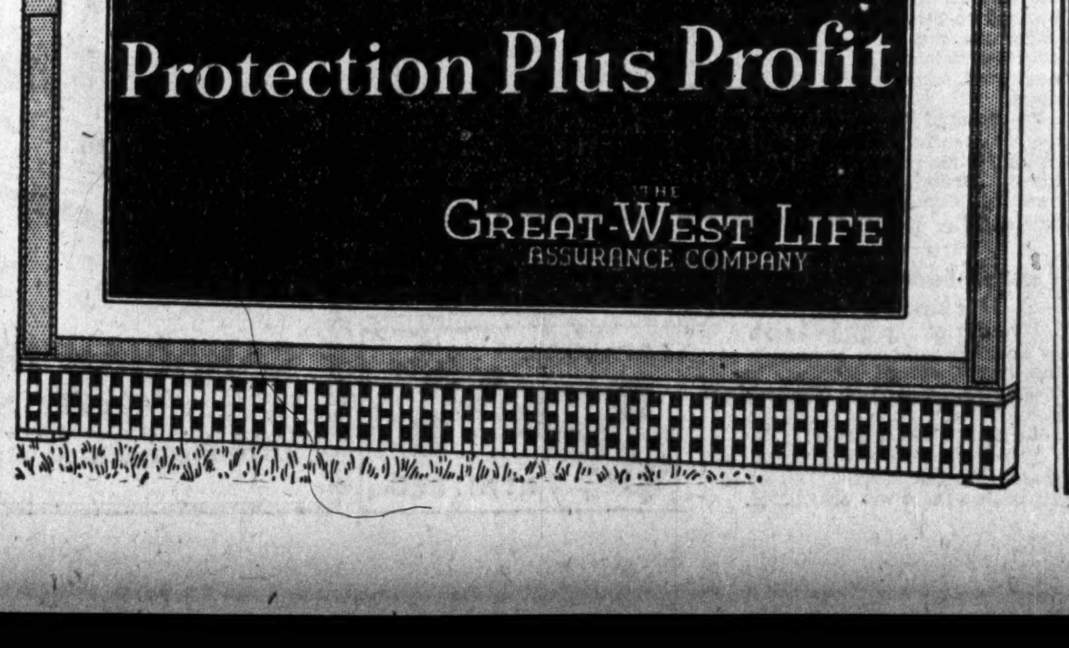

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News of Canadian Mining Investments

The Week in Mining

"Gold" Reasoning

WHEN, comparatively recently, publications which had heretofore confined their activities to crime and sex, attempted to enter the specialized field of financial writing, it was only natural that they should bring with them the only methods with which they were familiar,—sensationalism, and a total disregard for reliability.

Unfortunately, this is particularly true of mining news. Public interest in mining is, and has been for some months past, at a pitch never before experienced. Realizing this, many Canadian and United States tabloids have cut out a few comics, condensed their scandal stories, and used the space for departments purporting to give reliable information about various mining companies.

With the limited resources available to them, and the quality of their circulation, these noisy invaders have not disturbed the mining world to any appreciable extent. The tactics employed to catch the eye of the avid scandal reader do not particularly appeal to the average investor.

But the Chicago fire was started by Mrs.O'Leary's cow, and it is conceivable that some one of these papers might at some time set off the spark which would cause a costly financial conflagration.

A mild example of the sort of spark referred to appeared recently in a New York paper, famed chiefly for its pre-natal predictions. The suggestion contained in the article was caught up by a Toronto weekly paper of similar color, and given equal prominence with the story about a Toronto "playboy" who became amatorially compromised.

Briefly, the story was about "the approaching collapse in prices for gold bullion," and consisted in a somewhat incoherent discussion as to "the forms which the flight of capital from gold may take."

* * *

WHILE nobody would attempt to say what gold prices will be in the future, to talk about the coming collapse in gold, as though one were talking about the coming of Christmas is to anybody who thinks at all, a trifle ridiculous.

Ridiculous as it may be, the articles referred to, which were confined purely to the sensational type of journals, caused no little consternation among unthinking investors, and, had they been a bit more plausible, might have seriously affected the present market.

Weighing the evidence, it becomes obvious that while there are no concrete evidences that the price for gold bullion will drop, there are very reasonable grounds for suspecting that it will remain at its present level for many months to come.

As has been shown in the past, one of the chief arbiters in this connection is United States. If Roosevelt were to lower the price paid by his administration, to the old $20.67 per ounce price, from the present minimum of $34.45 his government would stand to lose an amount estimated at slightly over three billion dollars in profits, on the gold already held by it. This is only one country. The loss to the various gold-buying governments would be incalculable. Many students of economics predict that U.S. will depreciate its dollar still more, which would only enhance the value of gold in terms of currency and commodities.

The beneficial effect of the increased price of gold has been a very real one. Unemployment has dropped, commodity prices have risen above the danger point, and foreign trade has been stimulated. This is an obvious reason why governments should bolster gold prices.

There are not many who would argue that a total abandonment of gold as a currency standard is imminent. If it were, gold would be in danger of becoming merely a material for jewellery, and its value would drop. But gold has stood the test of time as the most logical basis for currency, and its price is not likely, at this time, to be upset by an article in a New York tabloid.

Beaufor Attempts Revival Under Lindsley Guidance

After just recently increasing their authorized capitalization from 2,500,000 shares to 3,000,000 shares of $1 par value, Beaufor Gold Mine, controlled by the Forbes, Timmins and Lindsley interests, now announces a revival of development work on their property which consists of 18 claims astride the boundary of Louvicourt and Pascalis twps. in Quebec.

Work on this property was suspended early last year. Prior to this time, a shaft was sunk to a depth of slightly over 300 ft. and levels established at 150 ft. and 300 ft. Funds for the revived development work are being supplied, it is understood, by the Beauchemin brothers of Amos, Quebec, and the Forbes-Timmins-Lindsley group. The company plans to continue sinking the shaft to a depth of 600 ft., opening up two new levels. It is also planned, the company announces, to sink a new vertical shaft on a zone about 2,000 ft. south of the old shaft. Thirty men are being employed on this programme.

Tuscarora Drives Tunnel With Objective Two Veins

From Our Own Correspondent

VICTORIA, B.C.—The new tunnel started at the property of Tuscarora Gold Mines Ltd. in the Bridge River district, has now been advanced a distance of 35 ft. and gained an equal number of feet in depth from the surface, according to T. O. Lewis, superintendent in charge of operations. The tunnel is being driven on vein material with an objective 100 ft. in the hill where, from surface indications, two large veins that outcrop should intersect.

The gold values are stated to be encouraging but the quartz is still fractured and broken up by water fissures and mud fractures. It is estimated that about 100 ft. of depth will see this condition entirely absent. Two shifts are now at work on the tunnel which is being driven by hand.

ONTARIO GOV'T SAID TO FAVOR MARINE RAILWAY

Hepburn, Heenan Confer Over Mooted Pickle-Crow Line

The long mooted marine railway with which mining interests hope to make the Pickle River and Crow Lake mining areas more accessible, is being favorably considered by the new Administration in Ontario, The Financial Post is reliably informed.

While nothing official is forthcoming from Queen's Park, it is understood that a group of Toronto mining men conferred recently with Hon. Peter Heenan, minister in charge of northern development, and Mitchell Hepburn, premier, and were assured that the proposition would be thoroughly examined, and if approved, work would start immediatey.

Under the plan laid before the Government, the province would pay one half the net cost of the railway, estimated in the neighborhood of $100,000; Pickle Crow Gold Mines would pay two-thirds of the balance, and Central Patricia one third.

Urge Haste

The proposition which had been previously laid before the Henry Government and shelved calls for the construction of a line from Lac Seul to Lake St. Joseph in the Patricia mining area of Ontario, which would link the new hydro development on the Albany River. Two dams would have to be constructed, it is believed.

The original plan of the miners called for a more extensive line, operating from Lake St. Joseph directly into the Pickle Crow gold area, but hard times have curtailed this ambition.

It is understood that at the recent conference, mining interests stressed the importance of making a start on the project immediately. The need for such a line, they pointed out, had been accentuated by recent developments in this area.

WORKING DEFICIT SHOWN IN REPORT OF PEND OREILLE

Lessened Demand for Concentrates Forces Suspension of Operations

Current assets of $55,861 against current liabilities of $57,795 are shown in the annual report of Pend Oreille Mines & Metals Co. recently issued. The report covers year ending April 30, 1934, and shows a deficit in working capital account of $1,934.

The Josephine Mine of this company was in operation 288 days and handled 78,971 tons of ore from which were produced 11,072 dry tons concentrate, or a ratio of 7.1 tons ore to the ton of concentrate. The concentrate contained 2,006,922 lbs. of lead, 11,876,026 lbs. of zinc, the average being 66.275 per cent lead concentrate, and 61.02 per cent zinc concentrate. The report points out that after the N. R. A. code became effective metal prices, while still at a lower level than has heretofore been considered an operating rate, improved above the unprecedentedly lower prices prevailing the preceding year. Operations were discontinued on April 23, 1934, on account of the lessened demand for concentrate from smelters. The mine was further developed on the 500-ft. level by 822 feet of drifts and crosscuts, and 430 feet of raises. A total of 8,207 feet of churn and diamond drilling was also performed.

OFFERING IS MADE BY SAKOOSE GOLD

200,000 Treasury Shares to Net Company 50 Cents Per Sare

Sakoose Gold Mines is offering through Chambers & Co., Toronto mining brokers, 200,000 treasury shares for public subscription, for development of the property east of Wabigon Lake in the Kenora district of Ontario. The company also owns claims on Contact Bay, in Wabigon Lake.

Up to 1902, when operations on this property were suspended, a total of 7,735 tons of ore had been treated. Under earlier operations two shafts were sunk, to depths of 250 ft. and 100 ft. with considerable crosscutting and drifting. In 1929, Sakoose Gold Mining Co. surrendered its charter.

Sakoose Gold Mines is capitalized 3,000,000 shares, $1 par, of which 500,000 shares have been issued for the property and are pooled until Sept. 18, 1935. The present offering is being made at .65 cents per share, to net the company .50 cents.

Present plans call for sinking a shaft to a depth of 500 ft. and opening up levels where crosscutting and drifting will be carried forward. A crew of men are already at the properties dewatering the mine.

The directors of Saskoose Gold Mines are: Pres. A. H. Acres, M.P.P. Britannia, Ont.; vice-pres., Dr. M. J. Maloney, M.P.; sec.-treas, Daniel McGrory, Montreal; directors, Francis O'Donnell, and R. G. Meech, K.C.

Powell Rouyn Pushing Diamond Drill Programme

From Our Own Correspondent

AMOS. — On the property of Powell Rouyn Gold Mines adjoining Noranda Mines on the north, diamond drilling is going forward under the direction of Minefinders.

The present programme includes putting down a series of 15 to 20 short diamond drill holes followed by some deep holes. Some surface work on the main vein is also being done.

Although former work on the property disclosed a copper ore body, present efforts are being centred on development of the Powell gold vein which has been traced for a length of 3,600 ft.

Power For Sheep Creek Plus Promising Strikes Hint At Big Production

Agreement Reached Between Reno Gold and West Kootenay Power

READY IN 2 MONTHS

Group of Healthy Mines Back Arrangements—Many Prospects Resuscitated by Plan

By R. A. DIESPECKER

VICTORIA.—The completion of plans by the West Kootenay Power Co. to extend its power lines into the Sheep Creek gold area, and the interesting developments in this district during the past few weeks, is taken here as a definite indication that another important section is at last being opened up in the province for consistent and increasing production of gold.

At the present time tentative agreements have been reached between the power company and Reno Gold Mines, Sheep Creek Gold Mines, Gold Belt Mines, and Kootenay Belle Gold Mines Ltd., under which the West Kootenay Power Company will extend its line from the Yankee Girl power connection at Ymir to Salmo, ten miles distant, and thence for another ten miles to the Reno mill. It is authoritatively reported that this power will be available to the mines mentioned within two months.

The arrangements have been made only after a careful survey of the entire situation by the power company, which is apparently satisfied that the prospects in the area are sufficiently encouraging to warrant the expense of the line extension.

Old Queen Bess Responds

In past years the Sheep Creek area yielded some $3,000,000 in gold under the most adverse conditions and with only spasmodic operation. Of this amount, the old Queen Bess Mine, on Wolf Creek, contributed about $1,300,000. This property, which is now being operated by the Sheep Creek Gold Mines, is said to be responding favorably to a definitely planned programme of development under the direction of Henry E. Doelle, M.E., formerly with the Granby Consolidated Mining & Smelting Co. Recent reports are to the effect that the average gold values are .41 oz. across the entire six-foot width of the vein for the last 72 ft. of the total of 120 ft. that No. 7 east level has been extended. The importance of this fact, according to experienced mining men, is that this is the widest vein with consistent mineable values yet found in the Sheep Creek district. It is unofficially reported that this mine already has an estimated ore reserve of 40,000 tons, which engineers figure will net the company $7 per ton.

Gold Belt Mines, it is understood, will proceed immediately with milling plans now that the power line into the district is assured. A recent 45-ton shipment of high-grade ore from this mine netted the company $5,549.81, the gross value of the shipment amounting to $6,083.50 and showing an average content of 4.51 ounces gold per ton.

Reno to Benefit

At the Kootenay Belle Gold Mines highly satisfactory results have been obtained during the past year, the twelve months operations, due to fairly consistent shipments of ore to the smelter, paying for themselves. Equipment has now been ordered for a 50-ton mill which will be rushed to completion during the summer, bringing the second mine in this district to the milling stage.

The principal producer of the district, and the only one at present operating its own milling plant, Reno Gold Mines, will benefit immeasurably by the extension of the power line. During its entire operation, Reno has had to combat power difficulties, yet in spite of this, its production during the past few months has increased steadily. Production figures for June just released show its bullion for the month amounted to $60,050, an increase of almost $10,000 over the month of May. During June the mill treated 24,031 tons of ore, operating for half the month at the rate of 100 tons per day and for the balance of the month at the rate of 86.4 tons per day. Average value of ore milled was stated to be $24.70 per ton.

At the present time prospects for the Sheep Creek district as a whole are highly satisfactory. Hitherto veins in this district were either wide and comparatively low grade or high grade and very narrow. The opening of mill grade ore at the 700-ft. level on Sheep Creek Gold Mines, however, of good mineable width, gives every indication that this area, like the Bridge River, will prove of immense value for large scale and long-life operation as additional depth is gained.

Barkerville Bows To King "Copper"

The Barkerville area is swallowing its pride, and admitting that there are such things as one cent pieces.

In the earlier days, "two-bit" pieces were the smallest currency generally acceptable in this boom area. Only within the past few years have nickels and dimes been circulated. At one time, Cariboo miners would cast these coins into the flume tailings, in an effort to check their circulation.

Now, according to latest reports from the district, stores are selling merchandise at hitherto despised prices, articles bearing prices such as 9, 17 and 23 cents.

WAYSIDE TERMED "PURE PROSPECT" IN YUILL REPORT

Shareholders to Press for Enquiry Into Management of Property

From Our Own Correspondent

VANCOUVER.—Not for several weeks has the report on a British Columbia mine been awaited with such interest as in the case of the findings of Col. H. H. Yuill on Wayside. Col. Yuill was asked to investigate the property following the recommendation to directors by Arthur Notman, of New York, that no further money be expended on development.

"Purely as a prospect the property has some speculative merit," reported Col. Yuill, suggesting that further geological mapping should be done. Referring to development work done in the section most actively operated, he said the possibilities had been thoroughly explored and valuable ore bodies had not been indicated. Therefore he advised that work in that section be discontinued.

Not Exhausted

Surface prospecting, he added, has not indicated anything of value elsewhere, but this was not conclusive. The northwest end of the diorite stock had an area of 2,000 by 1,500 ft., and work done to explore this area would be of a highly speculative nature, he said. Possibilities of the property, however, could not be said to have been exhausted.

Col. Yuill's report, while a cruel blow to investors, leaves a speculative loop-hole, providing the company is favored with sound management. And it is this very point that a minority group of shareholders mean to thresh out.

Stock Vacillated

Under the present "triple-S" management, of Ben Smith, Victor Spencer, and Dave Sloan, whose activities are well known along the Pacific coast, a series of most glowing "progress reports" have been given to the public. The property was reported to be on the verge of production, and this spring the foundations were being laid for a mill. As far back as 1931, the company announced that drifting definitely proved the existence of commercial ore, and that an expenditure of only $25,000 would place sufficient payable ore in sight to warrant the construction of a mill.

About a year ago, Toronto interests became associated with the Vancouver Stock and Bond Co., (Smith, Spencer and Sloan) who refinanced the company, and bought 450,000 shares of stock at 30 cents each. Since that time, the stock rose to 75 cents per share. Now, since the two adverse reports of Arthur Notman and Col. Yuill, it is selling in the neighborhood of 7½ cents.

Word from Yukon Border Sends Hammell to North

In response to a wire from Capt. Robert G. Adams, manager of field operations, Jack Hammell, president of the Yukon Border Placer Gold Ltd., has left Toronto to visit the properties situated in the upper Liard Placer area of the Yukon Territories. The greater part of the trip will be made by air.

The property of Yukon Border Placer Gold was staked by Hammell in 1933, and at present is being thoroughly core-drilled by a crew of 12 men acting under Capt. Adams. Operations to date have centred around the Sayyea Creek area, where the ground is being tested by means of a portable hand-drill, having a total weight of 1,600 lbs.

The company has an authorized capitalization of 2,500,000 no par value shares of which 1,000,000 have been issued for properties and pooled until May 1, 1935. Recently an offering of 1,000,000 shares was made at 30 cents per share.

Big Missouri Outlines Development Schedule

Shareholders of Big Missouri Mines Corp. are in receipt of a progress report which outlines the programme of future development work for the B.C. property which is being operated by Buena Vista Mining Co. The report which is signed by G. H. Rainville, president, explains that work at the Province Tunnel level was resumed last fall and was confined to further development of the main north-south ore zone which has been extended about 1,000 feet in each direction.

A fault claim was outlined with it and lying on both sides a large ore shoot of commercial grade varying in widths from 12 to 50 feet has been definitely located for a considerable distance on this horizon. Based on this information it is now planned to drive a raise in this new ore shoot from the Province Tunnel level to the surface, a distance of about 700 feet, from which new levels would be cut at intervals and sufficient drifting and cross-cutting to define the width and grade of the ore at each level done. It is also planned to drive the lower tunnel under the present workings, from which a tunnel will intercept the downward extension of the new shoot.

Financing of the present programme has been fully provided for, according to the report, 40 per cent by the Big Missouri Mines, and 60 per cent by Consolidated Mining & Smelting Co. of Canada.

First Dividend Since 1931 Declared by Nipissing

Directors of Nipissing Mines Co., in keeping with the prediction at the recent annual meeting, have declared a dividend of 12½ cents a share, payable August 15, to shareholders of record August 1.

This is the first disbursement to shareholders since April, 1931 when 7½ cents a share was distributed.

RICHSTRIKE GOLD OPTIONS CLAIMS IN N. CALIFORNIA

Mill Installed on New Property Which Comprises 48 Claims

From Our Own Correspondent

VICTORIA, B.C.—Addition of a third property to its already extensive holdings was announced by Richstrike Gold Mines Ltd., when E. J. Parker, president of the company, returned from an inspection trip to California.

The new property, covering 1,600 acres and consisting of 48 claims, is situated six miles from Redding, Shasta County, Northern California. There are 106 known veins on the property, which has already been very thoroughly tested and developed.

Although Richstrike Gold Mines Ltd. only acquired this lode gold property under option some six or eight weeks ago, considerable progress has been made, including the installation of a new 65-ton mill, complete with crusher, hammer mill, ball mill and flotation tables. Alfred J. Gaul, the company's consulting engineer, is at present on the property completing an inspection of the plant prior to the company exercising its option. The plant is powered by a 100 h.p. Diesel engine; store bins and ore chutes on the property are filled to capacity and considerable ore is blocked out in the underground workings.

Ground sluicing on the Pat Holland Seymour Placer property of Richstrike Gold Mines Ltd., in Trinity County, California, is also progressing satisfactorily. The water supply is being used to good advantage to carry away the overburden and prepare for a clean-up later in the season.

Development at the Bridge River property of Richstrike, located on Nosebag Mountain, 15 miles east of the Pioneer-Bralorne gold belt, is also being continued. The 500-ft. cross-cut tunnel in which the sensationally rich two-foot vein was struck unexpectedly has been completed and a contract has been let for an additional 200 ft. to crosscut the veins outcropping above.

McINTYRE DECLARES 50-CENT DIVIDEND

Are Now Placed on Regular $2 Per Share Per Annum Basis

Directors of McIntyre Porcupine Mines have declared a quarterly dividend of 50 cents per share payable Sept. 1 to shareholders of record August 1.

With this declaration, dividends on the company's stock are placed on a regular $2 per share per annum basis. Previous dividends were on a basis of $1 per annum regular, and $1 per annum extra.

Stadacona Rouyn Property To Be Worked by Red Gold

Stating that projected development plans on the group of claims known as Block No. 2 will take all the attention of the company, and the company's available capital, Stadacona-Rouyn Mines announce that block No. 8 of the company's property will be developed by a separate organization, known as the Red Gold Mining Co.

According to a progress report sent to shareholders over the signature of Roy Anderson secretary treasurer, results of work on the 300-ft. level have convinced directors that extensive development is warranted. Underground work will be continued in the next two months on the 300-ft. level to extend further the No. 2 vein zone, and also to open up the two sections located by drill hole No. 7. Then, with this complete data to hand the present shaft will be sunk to the 600-ft. horizon giving two more levels to develop and enabling the management to estimate a fairly accurate tonnage of ore.

To date about $240,000 has been spent on this property. Since the last progress report a total of 326 ft. of drifting has been accomplished on the No. 2 vein and sectional crosscutting indicates minable widths from five feet to 25 feet. The diamond drilling along with the underground results shows that there is a known length on the No. 2 vein zone of 1,100 feet.

Stadacona-Rouyn has an authorized capitalization of 3,500,000 shares, of no par value, of which 2,500,000 had been issued at the time of the last statement.

The company already owns 1,000,000 shares of the Red Gold Mining Co. stock, received from sale of properties to that company in 1933.

REPORT BRALORNE CUTS KING VEIN

Bridge River Mine Finds Ore Grades of Satisfactory Values

According to advice from the Bridge River area, the crosscut on the 11th, or bottom, level of Bralorne Mines has cut the King vein between the No. 1 and No. 2 faults, revealing good ore values. It is understood that values correspond with those encountered on the 10th level where the vein showed up for a length of 400 ft., with widths ranging from 13 to 14 ft.

Information from the property states that the crosscut was 10 ft. in the King vein without having cut the other wall of the vein, and it is thought that considerably larger tonnage will be indicated as result of later developments. It is also learned that the north-south vein on the 10th level has widened considerably beyond the width of the drift and is showing quantities of free gold. Ore grades, it is said, are being maintained at high values.

TRAFALGAR LONG LAC LIMITED

Staking Rush Near Quesnel Follows Find

High grade values reported found at depth by diamond drilling on the Taylor-Windfall property at Paseko Lake, near Quesnel, B.C., have precipitated a rush of staking practically all over the White Water district, according to reports from the West coast. In an effort to find out whether they are drilling through or with the deposits, the management of Taylor-Windfall has given Boyle Bros. an additional contract. It is reported that the core shows some remarkable free gold values, and that these values are fully as good at depth as they showed on the surface, but just below the surface the values are not so good.

The Mother Lode property located just across the Paseko River from the Taylor-Windfall property is also going to be prospected with the diamond drill. On this property engineers have found traces of copper, as well as gold.

Owing to its inaccessibility, freight and passenger traffic is being handled into this district by airplane.. In one day as many as four 'planes have landed with prospectors and supplies on Paseko Lake, it is said.

NO TALK OF MILL AT B. R. X. YET OFFICIALS STATE

Will Wait for Results of Projected Development Work

Official denial of the report that B. R. X. Gold Mine, operating in the Bridge River area of B. C. was planning to install a mill, is contained in a letter received by The Financial Post from F. R. Smith, managing director. Mr. Smith states that should the ore at the shaft objective prove of commercial grade, as indicated by a diamond drill core recovered last January, the company will undertake a tentative mining development which they hope will result in proving up sufficient ore to justify the installation of a mill. In a progress report recently issued, it is stated that the new three-compartment incline working shaft has reached a depth of 405 feet. The objective is 500 feet. Muck car samples have ranged from .08 to .29 oz. gold, with some selected material running much higher.

Sign Power Agreement

A power agreement with the Bridge River Power Co., subsidiary of the B.C. Electric Railway Co. has been concluded and power is expected at the property before the end of the month. A new 1,400-foot Ingersoll-Rand 275 h.p. direct connected compressor has been ordered, and will be installed and ready for operation by the time power arrives.

Officials claim that the company has over $140,000 on hand after paying all accounts, including shaft contracts to 250-ft. level and owes nothing on plant or equipment, owning its property outright. If, as and when funds are required for mill installation the company plans to sell the 200,000 shares now remaining in the treasury. The company has an authorized capitalization of 2,500,000 shares, par value, 50 cents.

Survey Ymir Properties For New 100-ton Mill

From Our Own Correspondent

VICTORIA, B.C.—Survey for the 100-ton mill to serve the Ymir and Goodenough mines has been completed, it is reported. John F. Coats, M.E., has been in charge of exploration work on both properties since the beginning of 1933 for the Ymir Gold Mines Ltd., a private company, which is to be formed into a public company to operate the two properties. During the past six months the Ymir mine has been making steady shipments of ore to Trail smelter.

According to present announced plans the 100-ton mill will be built so that output can be stepped up at a later date. The old Ymir concentrator buildings will be used and work will start about the middle of the month on the installation of machinery.

Two aerial trams one from the Ymir and one from the Goodenough one and a half miles and 3,000 ft. in length will be built to carry ore from the underground workings to the new mill.

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Reports of Platinum Strike Cause Stir in Sudbury Area

Important new discoveries of platinum in Parkin and Norman Townships, northwest of Lake Wanapitei are causing considerable excitement in the Sudbury area.

The Financial Post is reliably informed that Falconbridge Nickel Co. has acquired claims for $20,000 in this district. International Nickel Co. is understood to have acquired and staked property near its old Whistle Nickel Mines property in the same vicinity.

While the reported strike is of great significance to the Canadian mining world, the economic aspect is blunted somewhat by the fact that International Nickel is capable of contributing 300,000 oz. of platinum and related metals annually, while the present world rate of consumption is roundly 200,000 oz. It is estimated that the Frood Mine of this company is more than capable of supplying all world needs under present conditions. The company is now the chief source of these metals in the Empire and output from its mines places Canada next to Russia among world producers.

See Great Future

Simultaneous with the report of the Sudbury find the bureau of economic geology, Department of Mines, Ottawa, issued a report on the platinum deposits of Canada, in which it is predicted that there will be further discoveries in British Columbia of the Ural type of platinum, which has placed Russia in the lead as world producer. The report paints a glowing picture of the possibilities of Canada as a world platinum provider. The known reserves of platinum in the Sudbury area, it is claimed, are enormous. In Ontario, Manitoba, Saskatchewan, and on the coast of Hudson Bay and also in the Mount Albert region of Gaspé indications of the Sudbury type of platinum have been found.

Prior to the war the greater part of the world's platinum production was used in chemical and other technical processes. During the war, however, developments led to the discovery of so many substitutes that the demand for platinum was drastically reduced. This has been somewhat made up for by the increased demand for platinum in jewellery. In 1927 platinum commanded a price of $110 an ounce, but by May in 1931, the price had receded to $23. It is now in the neighborhood of $36.

J.-M. CONSOLIDATED SHIPS $2,800 BRICK

Estimate Production at $11,000 Monthly With 25-ton Mill

An estimated value of $2,800 was contained in the second gold brick shipped recently to the mint by J-M Consolidated Mines, from its property in the Patricia district of Ontario, according to company officials. In both bricks shipped by this company since starting operations in May, about $100 in silver has been found, it is stated.

The company reports new machinery has been purchased, and the mill is now running at its full capacity of 25 tons per day. An official estimate states that from now on production will run at the rate of about $11,000 a month, with milling costs and other expenses amounting to not more than $8,000 monthly.

LITTLE LONG LAC
and
UNITED GOLD EQUITIES
OF CANADA LIMITED

Along with the stocks of important income paying gold producing companies held by United Gold Equities of Canada, Ltd. is a substantial block of shares of Little Long Lac, the following details of which appeared in the Mining Press:—

High gold values were discovered on the property in 1931 and financing was completed in 1933. The company owns 35 claims, about 1,200 acres, in northwestern Ontario.

Diamond drilling in 1932 indicated an ore zone at least 800 feet in length, 400 feet of which assayed $30 per ton over an average width of four feet.

The company has a shaft down about 700 feet and 5 levels for a total of 4,000 feet of underground work. There is now indicated to be four or five years of ore ahead for the mill of 200 tons daily capacity which is now under erection for late summer operation.

This property's spectacular progress has opened up a whole new gold camp and it is now surrounded by many other companies in various stages of development.

Current market price for Little Long Lac shares is about $7.50 a share. Naturally, United Gold Equities bought its shares at lower figures than those now being paid.

An inquiry will bring you a record of holdings in twenty important senior and junior producers, and booklet — "Canada! Storehouse of Wealth."

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SUDBURY CONTACT DRILLS TO ZONE FROM PANDORA

Engineer Recommends Further Drilling on Mayrand Group

Sudbury Contact Mines operating the Mayrand group of 19 claims in Cadillac Township, Quebec, east of Canadian Pandora recently put down the first hole in an extensive diamond drilling programme and encountered what is believed to be an easterly extension of the Pandora zone. Work is being hampered by the excessive over-burden which, in places, is 85 ft. thick. H. S. Denny, Toronto mining engineer and president of the company, is in charge of operations. The company, cheered by the results of their first efforts, are continuing a diamond drilling programme. In addition to the Quebec properties, the company owns 35 mining claims in Fairbanks Township, Sudbury district. On this property assessment work including diamond drilling and surface exploration have been done.

Urges More Drilling

In a progress report recently issued to shareholders, it is explained that Douglas A. Mutch, consulting engineer for Canadian Pandora, was engaged to give an independent report on the Mayrand properties. This engineer states that the position of the properties is such as to give reasonable assurance that the property will be found to contain, along the greater part of its length, the gold bearing zone which extends from Canadian Pandora Mines west through Cadillac O'Brien Mines.

Mr. Mutch recommends that a programme entailing not more than from three to five thousand feet of diamond drilling be launched.

Company officials state that the financial position of Sudbury Contact is sufficiently strong to enable it to carry out a progressive development policy. When serious development is indicated, it is stated, subsidiary companies will be formed to carry it through.

HUDSON PATRICIA PUSHING WORK ON 200-FT. LEVEL

75 Feet of Continuous Ore Shown By June Development

Aggressive development work is proceeding on the property of Hudson Patricia Gold Mines, Ltd., in the Clearwater Lake section of Patricia district according to a progress report which has been issued to shareholders over the signature of R. W. Salter, president. Some interesting results have been reported from the work programme which has been concentrated on the opening up the vein on the 200-ft. level, further underground exploration work and re-exploring of surface showings at other points on the property.

The extension of the vein to the 200-ft. level has been proven and indications are that it extends to an even greater depth. Workings to the end of June in the west face show 75 feet of continuous ore. Widths average 2½ to three feet of vein matter, with varying values on the 100-ft. level. Channel samples across the vein have shown as high as 1.14 ounces of gold per ton, the report states.

The drift on the 200-ft. horizon has passed beyond the westerly end of the workings on the 100-ft. horizon and is entering new ground. The vein, the report says, looks strong where it shows up and is showing fair values. The drift in the east face is also following the vein into new ground.

In reviewing work done on surface showings the report states that "some interesting results have been obtained from a showing southeast of the shaft near the shore of Blue Lake. Three trenches have been opened in the zone, equally spaced over a distance of 400 feet. The trench closest to the shaft, 1,000 feet, is a strip along the vein showing quartz and sheared rock. Samples from this section gave $13.20 across a width of five feet at the west end; $8.49 over 3.8 feet to the east and $2.80 over 1.5 feet, some 15 feet farther east, and $21 across three feet some 17 feet beyond. The length sampled in this area is approximately 40 feet."

Big Long Lac Gold Plans To Drill Reported Zone

The occurrence of a small but rich vein, running in width from two to four inches is reported on the property of Big Long Lac Gold Mining Co. by J. G. MacGregor, the company's engineer, who has just returned from an examination of the property. The vein, which has been exposed by stripping and trenching for a distance of 316 feet, is believed to extend for a considerable distance, and is reported to carry considerable free gold.

It is the intention of the company to explore the zone in which the vein was found by means of diamond drilling and a contract will be let immediately for 2,100 feet of drilling. This will permit the drilling of 14 holes of 150 feet. It is expected that the drill will be on the property in a week or so.

Bulolo Gold Profit $249,445 During June

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging for June reports total production from three dredges of 9,602 ounces of fine gold from 688,700 cubic yards. Estimated working profit was 7,127 ounces of fine gold. At $35 (Canadian) per ounce for fine gold, this represents a working profit of $249,445 Canadian dollars.

Second Dividend Declared By Model Oils of Turner

Model Oils, which operates petroleum and natural gas properties in the Turner Valley field, has declared a dividend of three cents per share on its common stock. The disbursement, which is the second made during the current year, is payable August 18 to shareholders of record July 28.

Complete Ball Mill Shipped in by 'Plane

A new chapter in Canada's mining history was written recently when a complete ball mill was flown in to a B. C. mining property from the head of rail transportation to the scene of operation by plane.

"Ginger" Coote, well-known pilot for the Bridge River, Cariboo Airways, has just completed flying in a 10-ton pilot mill that will soon be grinding on the ore at the Taylor-Windfall property in the White Water section of British Columbia. In one week he transported some 16,000 lbs. of supplies and equipment as far as Paseko Lake.

MORNING STAR ESTIMATES ORE AT 20,000 TONS

B. C. Company Gets Report From Consulting Engineer

After receiving a report from J. D. Galloway, consulting engineer, directors of Morning Star (Fairview) Gold Mines, operating in the Osoyoos mining division of B.C. issued the following:

"In June drivage development amounted to 559 feet. Costs for the month are not available as yet, but they should be as low as in May, when they were approximately $10 per foot, including overhead and all charges.

"Work on the east vein has shown that vein on the No. 1 level to be small and highly sheared and without commercial values in the sections which have been drifted on and work on this vein is being temporarily discontinued. After opening up an ore body in the main vein south of the shaft, which is 180 feet long, having an average value over 3.5 feet of .566 ounces per ton, the vein faulted slightly and pinched to a stringer. This vein has now been picked up and is widening out to over 1.5 feet. The values in the fault were low but the last face sample gave value of .46 ounces gold over 1.3 feet, and it is confidently expected that another ore shoot will be picked up.

"The drift north on the main vein was advanced 203 feet during June. In this section the vein is crooked and it has been difficult to keep the drift on the vein. It is believed that the vein will average four feet in width.

"While development has not been sufficient to give definitely blocked ore, it is estimated that probable ore obtained from the No. 1 level during May and June amounts to 20,000 tons, with a value of approximately .35 ounces gold per ton, or $12 at present prices. As the drift is continued north greater backs are obtained.

"Mr. Galloway stated that he expects continued development of commercial ore in driving this drift ahead."

At the Mines

B.C. Nickel Mines.—Portal site for a new tunnel 900 feet lower than the main tunnel, No. 1, has been selected and a small crew is at work on preliminary operations. It is understood that further work on the upper level is planned before the direction of the lower tunnel is finally determined.

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Casey-Summit Gold Mines.—Recent results of diamond drilling work at the Casey-Summit Gold Mines property in the Patricia district are to be checked over by F. D. Reid, managing director and S. C. Kennedy, secretary-treasurer, who are en route to the property. It is also their intention to map out a future programme of work and it is understood that this will include the opening up of two new levels by sinking a winze from the 300 to 500-ft. levels. An extensive diamond drilling programme is being carried on at the present time.

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Dome Mines.—Ore conditions on the new 27th level are considerably better than on the 25th according to word received from the mine.

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Duparquet Mining Co.—A diamond drilling programme calling for several thousand feet of drilling is to be commenced immediately on the company's property located next to the Beattie Gold Mines. A contract has been signed with the Sudbury Diamond Drilling Co. and two drills will be installed as soon as possible.

• • •

Gold Belt Mines.—In the drift west along "D" vein on the 600-ft. level, the quartz vein containing pyrite is the full width of the drift, with streaks assaying from 1.44 oz. across six inches and .96 oz. across 16 inches, according to the official progress report for June. Drifting was continued west along the vein. Arrangements have been completed with the West Kootenay Power Co. for the installation of a power line into Sheep Creek.

• • •

Lafayette Longlac Gold Mines.—Surveys on the south and west section of the company's property have been completed. Cross trenching of the sheer zone is being carried on about 500 feet east of the original find. Further exploration work has extended the shear zone with quartz veins some 4,000 feet eastward along the line of strike.

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Mak Siccar Gold Mines.—A. T. Miller, president and managing director of this company, states that the lower tunnels have entered the lower downward extension of the promising ore shoot picked up on the No. 1 level of the Buller claim. Samples have arrived from Vancouver for analysis.

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Pioneer Gold Mines.—June production figures recently issued by this company give gross, $259,000; expenses, $69,100; net, before depreciation, depletion, and taxes, $190,100 as compared with $187,100 in May.

WABANA DICKERING FOR U. K. MARKET

Negotiations With Ford Company Still Underway

Negotiations between the British Ford Co. at Dagenham, Eng. and the Dominion Steel & Coal Corp., operating the Wabana Iron mines, Newfoundland, are still under way, The Financial Post is informed. The negotiations supplement a contract made some time ago, and not yet fulfilled.

In the face of years of disappointment, Wabana still hopes to break into the British market for iron in a big way, one of these days. Despite Ottawa agreements, Britain has not yet become a customer of Wabana to any appreciable extent. Present indications are, according to information given The Financial Post, that this state of affairs will not last very much longer.

At the present time, Sir Newton Moore, president of Dominion Steel & Coal Corp., owner of the Wabana operations, is in Europe, and on his return is expected to have definite news on this subject.

Greene-Stabell Production Hit by June Interruptions

June production of Greene Stabell Mines was considerably below that of previous months of the current year according to an official report, gold produced amounting to 447.01 oz. and copper to 14,585 pounds. At current prices the total recovery for the month is estimated at approximately $16,800. Tonnage milled only amounted to 1,724 tons as compared with more than 2,000 tons in previous months.

According to John E. Hammell, president, output for June was affected by delays occasioned by switching over to electrical power, and also by a temporary shut-down due to damage to equipment by lightning and through a break-down in one of the ball mills. July figures may also be somewhat affected.

Thompson Cadillac Lists Stock on Curb

From Our Own Correspondent

MONTREAL. — Thompson-Cadillac Mines 3,000,000 shares of par value of $1 each have been listed on the mining section of the Montreal Curb Market.

This company has sunk a three-compartment shaft to a depth of 630 feet levels at 150, 300, 450 and 600 feet. The mine is being prepared for production from three levels and final work is now being completed for the mill of 150 tons daily capacity, and other equipment.

Mining Stock Quotations

Week Ending July 16

Par Val.	Range 1934 High	Low	Company	Sales	Close July 9 (or last)	High for week	Low for week	Close July 16
1	.06	.01	Aconda	3,800	.01½	.02	.01½	.01½
No	.33	.13	Aldermac	51,461	.20	.24½	.20	.23½
1	.10	.02½	Alexandria	175,200	.04½	.06½	.04½	.05½
No	.18	.09	Algoma	19,700	.09	.11	.09	.09½
1	.04	.01½	Amity Copper	32,200	.02	.02	.01½	.02
No	4.51	2.00	Anglo-Huronian	2,565	4.40	4.50	4.00	4.20
1	.08½	.03	Area	22,850	.03½	.03½	.03½	.03½
No	.20	.03	Arno	......	.04	.....	.....	.....
1	1.25	.58½	Ashley	2,350	.67	.65	.58½	.61
1	.18	.12	Astoria Rouyn	78,800	.13	.14	.12	.13½
1	.60	.04	Bagamac	71,150	.14½	.14½	.12	.13½
1	.04½	.00¾	Baldwin	36,600	.02¾	.02¾	.02½	.02¾
1	.22	.09	Barry Hollinger	31,450	.12	.12	.09	.09
1	2.05	1.16	Base Metals	7,805	1.20	1.25	1.16	1.21
5	.91	.16	B.E.A.R.	5,600	.20	.24	.18½	.23
1	.51	.26½	Big Missouri	30,108	.39	.39	.36	.37
1	.64½	.23	Bobjo	290,695	.50	.61	.50	.58
1	3.55	2.40	Bradian	2,132	3.55	3.50	3.41	3.49
No	17.00	9.90	Bralorne	18,105	15.40	17.00	15.35	16.70
1	1.50	.75	Brazil Gold	5,400	1.00	1.24	.75	.85
1	.16	.04	Brett Trethewey	20,200	.05	.05	.04	.04
50c	1.40	.28½	Bridge River Ex.	43,500	1.35	1.31	1.16	1.20
1	.09	.01½	Brownlee	40,050	.02½	.03	.02½	.02½
1	.02½	.00¾	Buckingham	8,000	.00¾	.00¾	.00¾	.00¾
1	3.20	1.90	Buffalo Ankerite	24,265	3.03	3.12	2.80	3.04
No	.14	.06	Buffalo Can.	37,585	.08½	.09	.07	.08
5	34.50	23.50	Bulolo Gold	1,280	32.50	32.75	32.50	32.75
No	.05½	.01½	Bunker Hill	27,200	.02½	.02½	.02½	.02½
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	2,000	.05	.04	.03	.03
1	.20	.05	Can. Kirkland	21,800	.05½	.06½	.05½	.06½
No	.72	.38	Can. Malartic	19,345	.55	.60	.55	.60
1	.02¾	.00½	Capital Rouyn	7,500	.00½	.01	.00½	.00½
1	2.85	1.00	Cariboo Gold	4,325	1.35	1.37	1.30	1.30
1	.09	.01	Cartier Malartic	24,000	.03¾	.04	.03¾	.04
1	.81½	.49	Castle Trethewey	10,750	.57	.60	.55	.60
1	.16	.07	Cen. Manitoba	63,150	.07	.12	.07½	.10
1	.98	.54	Cen. Patricia	151,470	.90½	.96	.87½	.92
No	.16½	.05½	Chibougamau Pros.	125,200	.13½	.14	.13½	.13½
No	.15½	.05	Church. M. & Mill.	5,100	.05¾	.06¾	.05¾	.06¾
No	.14	.06½	Clericy (new)	41,605	.07	.08½	.06½	.07¾
1	.03½	.01	Clifton Cons.	5,000	.01½	.01½	.01½	.01½
5	5.75	3.20	Coast Copper	450	3.50	3.50	3.20	3.45
1	.06½	.03½	Cobalt Contact	14,800	.03½	.03½	.03½	.03½
1	.94½	.25	Columario	12,700	.26	.28½	.25	.25
5	2.45	1.25	Coniagas	1,050	2.05	2.00	1.80	2.00
No	1.60	.97	Coniaurum	4,779	1.31	1.35	1.31	1.35
25	170.25	132.00	Cons. Smelters	627	151.25	151.25	147.00	148.00
No	45.50	32.25	Dome Mines	3,810	43.25	44.00	43.00	43.25
No	.07½	.02	Dom. Explorers	13,000	.03	.04	.02½	.04
1	.02½	.00½	Dominion Kirk.	......	.01½	.....	.....	.....
1	.02	.00½	Don Rouyn	......	.00½	.....	.....	.....
1	.17½	.01	Duparquet	55,670	.12½	.13½	.12	.12½
1	4.35	1.76	Eldorado	117,595	1.86	2.68	1.85	2.52
No	4.15	3.00	Falconbridge	2,255	3.45	3.65	3.45	3.60
1	.11½	.01½	Federal	8,500	.03½	.04	.03½	.04
No	.07	.02½	Gilbec	10,500	.03½	.03½	.03½	.03½
No	2.64	.70	God's Lake	229,535	1.83	2.64	1.76	2.60
1	.29½	.08	Goldale	199,200	.24½	.28½	.23	.28
50c	.47	.42	Gold Belt	500	.45	.43	.43	.43
10	.57	.16	Goldfield	1,100	.26	.27	.27	.27
1	.43	.17	Goodfish	9,550	.27	.25	.22	.22
1	.18½	.02½	Graham Bosquet	25,100	.09½	.10	.09½	.10
1	1.09	.56	Granada Gold	84,300	.57	.74	.58	.65
No	.53	.30	Grandora	10,900	.43	.43	.30	.30
1	1.22	.66	Greene Stabell	106,350	.75	.88	.74	.83
1	.18	.05	Grozelle	......	.09	.....	.....	.....
1	.48	.16	Grull Wihksne	1,700	.17	.17	.16	.16
1	2.20	1.28	Gunnar Gold	152,250	1.69	2.20	1.70	2.10
1	.53½	.14	Halcrow Swayze	10,700	.15	.16½	.15	.15
1	.15	.03½	Harker	55,700	.12½	.13	.11½	.12
1	.02½	.00½	Hilltop	3,000	.00½	.00½	.00½	.00½
5	19.50	11.40	Hollinger	4,985	17.60	17.95	17.40	17.85
1	1.40	.93	Howey Gold	24,650	1.27	1.29	1.26	1.28
No	14.50	9.00	Hudson Bay	1,635	13.40	13.50	13.00	13.20
1	14.25	10.45	Inter. Mining	......	13.90	.....	.....	.....
	6.25	4.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.00	21.15	Int. Nickel	10,677	25.50	26.12	25.37	25.75
1	.48	.28	J. L. Cons. Gold	27,260	.43	.45	.41	.42
1	.03	.00½	Keora Mines	4,000	.01½	.01½	.01½	.01½
1	.73½	.45	Kirk. Hud. Bay	1,900	.70	.70	.69	.70
1	.05	.00½	Kirk. Hunton	16,500	.01½	.02	.01½	.01½
1	.76	.29	Kirkland Lake	56,855	.62	.62½	.52	.57
1	.40½	.21	Kirk. Townsite	9,500	.21½	.22½	.21½	.22
20c	.02½	.01	Koot. Florence	......	.01	.....	.....	.....
1	.23	.02	Lakeland	24,150	.03½	.03½	.03	.03½
No	.18	.07	Lake Maron	62,000	.09	.10	.09	.09
1	54.50	42.00	Lake Shore	3,239	53.50	54.50	53.60	54.25
1	.26	.08	Lebel Oro	86,450	.15½	.16	.13½	.13½
No	.22	.10	Lee Gold	25,000	.12½	.12½	.10	.10½
No	6.65	4.05	Little Long Lac	37,315	6.40	7.70	6.40	7.45
1	3.05	1.85	Macassa	40,127	2.38	2.55	2.35	2.50
1	.08½	.01½	Malrobic	69,800	.04½	.04½	.04	.04
No	.17	.06	Mandy	2,000	.09	.10	.09½	.09½
No	.34	.21½	Man. & Eastern	119,300	.31½	.34	.29	.33
1	1.00	.28	Maple Leaf	58,540	.40	.44	.40	.41
5	50.00	39.25	McIntyre	2,548	49.00	49.75	48.50	49.20
5	1.74	1.01	McKenzie R. Lake	24,925	1.66	1.69	1.53	1.61
1	.75	.50	McKinley	25	.72	.65	.65	.65
No	.06½	.01½	McLeod River	180,200	.05	.05½	.04½	.05½
1	.75	.39	McMillan	21,750	.74	.73½	.69	.72
No	.53	.25	McWatters	20,350	.37½	.39	.37	.38
1	1.21	.40	McVittie	26,350	.45	.45	.40	.41
5	1.50	1.25	Mentor Exp. & Dev.	......	1.25	.....	.....	.....
No	2.47	1.60	Mining Corp.	21,875	1.81	2.25	1.75	2.10
1	.08½	.02½	Moffatt Hall	196,450	.04½	.07½	.04½	.06½
1	.20	.08½	Moneta	11,200	.15	.16½	.15	.16
1	.04	.01½	Murphy	10,000	.01½	.02	.01½	.01½
No	.09½	.02	Newbec	12,650	.03½	.03½	.03½	.03½
1	.06½	.03	Night-Hawk Penn.	86,500	.04	.05½	.04	.05
5	2.85	2.00	Nipissing	4,305	2.30	2.55	2.30	2.45
No	45.05	33.25	Noranda	3,558	43.75	44.00	43.00	43.50
No	.54	.24	Nor. Canada	4,400	.29	.31	.24	.24
1	.27	.09½	Osisko	3,000	.11	.10½	.09½	.09½
1	.72	.36	Parkhill	59,660	.39½	.46	.36½	.44
1	.06	.01½	Pawnee Kirk.	5,500	.02½	.02½	.02	.02
1	.31½	.19	Paymaster	151,050	.23½	.28	.23½	.27½
1	1.40	.66	Pend Oreille	4,430	.69	.70	.66	.66
1	.05½	.02	Peterson Cobalt	11,500	.02½	.03	.02	.02½
1	1.85	1.40	Pickle Crow	82,970	1.67	1.85	1.60	1.65
1	14.15	10.75	Pioneer Gold B.C.	1,545	13.25	13.30	13.05	13.25
1	.08½	.01½	Porcupine Crown	22,625	.05	.04½	.04½	.04½
1	.03	.00½	Potter Doal	6,500	.01	.01	.01	.01
1	1.75	1.02	Premier Gold	1,800	1.30	1.30	1.23	1.30
1	.06½	.01½	Preston E. Dome	12,600	.04	.04	.03½	.03½
No	.60	.30	Prospectors Air's	100	.30	.50	.50	.50
1	.70	.15	Quebec Gold	16,050	.19	.21½	.19	.20½
No	.15	.05	Quemont	......	.06	.....	.....	.....
1	1.73	.27	Read Authier	44,880	1.49	1.62	1.40	1.47
1	1.29	.75	Reno	35,150	.85	1.00	.85	1.00
1	.02½	.00½	Ribago	26,000	.01	.01	.00½	.02
1	.05½	.01½	Ritchie	16,200	.02½	.02½	.02	.02½
1	.11½	.01½	Robb Montbray	94,800	.07	.07½	.07	.07
1	6.20	1.75	San Antonio	48,252	5.15	6.20	5.10	6.05
1	1.43	.75	Sherritt Gordon	16,018	.82	.90	.83	.85
1	2.64	1.43	Siscoe	55,353	2.31	2.47	2.29	2.44
1	.07½	.02½	South Keora	9,500	.03½	.03½	.03½	.03½
No	.26½	.09½	South Tiblemont	16,410	.13	.13½	.11½	.11½
No	.46	.08½	Stadacona	199,655	.39	.46	.39	.42
1	.65	.31	St. Anthony	61,490	.55	.55	.51	.52½
No	2.00	1.00	Sudbury Basin	7,775	1.52	1.50	1.38	1.45
1	.16½	.07	Sudbury Contact	4,500	.09	.09	.07½	.08
1	.11½	.00½	Sudbury Mines	43,100	.09½	.09½	.08½	.09
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.54	.44	Sullivan Cons.	11,341	.46	.49½	.46	.49½
1	3.20	1.29	Sylvanite	19,050	2.84	2.86	2.80	2.84
1	8.05	5.75	Teck Hughes	20,920	6.90	6.95	6.75	6.95
1	.59	.20	Thom. Cadillac	42,550	.48	.48	.44½	.46
1	.76	.26	Towagmac	8,900	.47	.54	.48	.51
1	.85	.35	Treadwell	100	.45	.40	.40	.40
No	.02½	.01½	Vacuum Gas	1,000	.01½	.01½	.01½	.01½
No	1.22	.77	Ventures	42,110	.82	.86	.80	.85½
1	.03½	.01½	Vickers	10,000	.01½	.01½	.01½	.01½
No	1.53	1.02	Waite Amulet	3,906	1.05	1.08	1.05	1.05
50c	.50	.07	Wayside	599,300	.07½	.14	.07	.07½
1	.43	.21½	White Eagle	32,850	.22½	.25	.21½	.23½
1	.07½	.03½	White Lake	......	.03½	.....	.....	.....
1	.18	.07	Wiltsey Coughlan	7,000	.09	.09½	.08½	.09½
1	.20	.05	Wood Kirkland	3,600	.12	.13	.11	.11
No	10.25	6.75	Wright-Hargreaves	11,310	9.50	9.70	9.50	9.60
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	21,800	.20	.21	.20	.20½
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	1.02	Ajax	1,950	1.03	1.05	1.03	1.04
1	.25	.08	Alta. Pacific	1,950	.10	.12	.08	.12
No	.35	.16	Associated	1,950	.18	.17	.16	.17
No	.13	.05	Baltac	3,000	.05	.05	.05	.05
No	1.60	.70	Calgary & Ed.	1,000	.75	.75	.70	.70
1	.15	.05	Calmont	600	.07	.07½	.06	.06
1	.12	.05½	Common Pete	......	.05½	.....	.....	.....
No	.65	.28	Dalhousie	6,500	.30	.33	.30	.30
No	.30	.10	East Crest	200	.13	.11	.11	.11
No	.58	.09	Erie Gas	2,200	.15	.12	.12	.12
No	.75	.32	Foothills	......	.35	.....	.....	.....
No	1.90	1.01	Home	4,725	1.05	1.21	1.05	1.15
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.19	.12	Homestead O. & G	41,800	.16½	.19	.16	.18
No	.44	.16	Lowery	50	.17	.20	.20	.20
No	.42	.20	Merland	3,100	.26	.26	.23	.24
1	.48	.10	Midwal	1,000	.10	.15	.15	.15
5	.17½	.08	Nordon	4,100	.08½	.08½	.08	.08½
No	.09	.03½	Oil Selections	12,500	.03½	.04	.03½	.04
No	.34	.14	Olga Gas & Oil	3,500	.17	.16	.14	.14
1	1.10	.60	Petrol Oil & Gas	......	.60	.....	.....	.....
No	19.55	14.00	Royalite	170	14.50	14.25	14.00	14.10
1	.13	.06	Sarnia Oil	3,500	.06½	.06½	.06	.06½
No	.17	.07	South West Pete.	......	.07	.....	.....	.....
No	.97	.63	Wainwright West	16,850	.93	.92	.86	.86

Par Val.	Range 1934 High	Low	Company	Sales	Close July 9 (or last)	High for week	Low for week	Close July 16
50c	.27	.18	B. R. Mountain Gold	500	.22	.20	.20	.20
100	99.00	99.00	B. C. Electric, pref.	......	99.00	.....	.....	.....
1	1.76	.51½	B. C. Nickel	58,225	.84	.85	.71	.73
1	1.25	.90	B. C. Silver	......	.90	.....	.....	.....
50c	.29	.15	Butte I.X.L	3,400	.18	.18	.15	.15
1	.24	.17	Can. Rand	650	.19	.20	.19	.20
1	2.90	1.00	Cariboo Gold	6,515	1.37	1.38	1.35	1.35
No	12.60	8.75	Coast Breweries	580	10.75	10.75	10.00	10.00
1	.45	.18	Congress Gold	27,250	.31	.35	.30	.30
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	47,000	.02	.03½	.03	.03½
No	2.07	.25	Dentonia	55,950	.52	.55½	.45	.55
1	.45	.14	Dunwell	10,820	.23	.23	.14	.16
No	.44½	.12	Fairview Amal.	11,800	.14	.13	.12	.12½
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.30	George Copper	......	.31	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01½	Georgia River	3,500	.01½	.01½	.01½	.01½
50c	.08	.01	Glacier Creek	......	.03	.....	.....	.....
1	.63	.35	Golconda	7,100	.38½	.39	.38	.38
5c	.20	.13	Golconda Ex.	......	.13	.....	.....	.....
50c	.63½	.27	Gold Belt	16,000	.47	.48	.44	.44
50c	.51	.30	Gold Mountain	6,500	.36	.37	.36	.36
50c	.06	.02½	Grandview	1,000	.03	.02½	.02½	.02½
No	.35	.18	Grange Mines	10,125	.22	.23	.20	.22
1	.50	.15	Grull Wihksne	4,350	.17	.17½	.16	.17
No	.16	.04	Haida Gold	3,000	.08	.04	.04	.04
	.26	.18	Hedley Amal.	3,500	.18	.22½	.22	.22½
No	.29	.14	Hedley Sterling	100	.16	.15	.15	.15
1	.09½	.04	Hercules Cons.	157,600	.05	.06	.04½	.05
No	.28	.07	Home Gold	38,400	.13	.15	.12½	.15
1	.04	.01	Independence	2,000	.01½	.01½	.01½	.01½
1	.04	.01½	Indian Mines	......	.02½	.....	.....	.....
1	.15½	.10	Inter. Coal	......	.15½	.....	.....	.....
1	.42	.29	Jack Waite	1,000	.35	.35	.35	.35
50c	.65	.19	Kootenay Belle	4,800	.45	.50	.45	.50
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	.01½	.00½	L. & L. Cons.	......	.01	.....	.....	.....
1	.01½	.00½	Lakeview	500	.01	.00½	.00½	.00½
No	2.95	2.40	Little Long Lac	......	2.95	.....	.....	.....
10c	.06	.02½	Lucky Jim	2,000	.03	.02½	.02½	.02½
No	.40	.11	Mak Siccar	500	.26	.25	.25	.25
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.09	Meridian Min.	26,950	.12	.13	.12	.12½
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	29,450	.24	.26	.21½	.21½
25c	.01½	.00½	Mohawk	......	.01½	.....	.....	.....
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.15	Morning Star	8,600	.20	.21	.15	.18
1	.05½	.01½	Morton Woolsey	5,000	.01½	.02½	.01½	.02½
50c	.09	.03½	National Silver	22,000	.03½	.04½	.03½	.03½
1	.13	.02	Native Sons	11,500	.03	.02½	.02½	.02½
50c	1.36	.50	Nicola	16,100	.56	.58	.53	.53
50c	.17	.08	Noble Five	29,200	.08½	.08½	.08	.08½
No	.19½	.10	Norgold	30,200	.15½	.16½	.15½	.16½
1	.54	.12½	Pavilion	500	.48	.48	.48	.48
1	14.25	11.00	Pioneer Gold	1,735	13.25	13.35	13.00	13.25
50c	.18	.08	Porter Idaho	14,000	.09	.10	.08½	.10
No	.02½	.00½	Premier Border	4,000	.00½	.01	.00½	.00½
1	.06	.03	Quatsino Copper	......	.04	.....	.....	.....
50c	.19	.06	Red Hawk	1,000	.10	.06	.06	.06
No	.27	.09	Reeves McDonald	1,000	.15	.15	.15	.15
1	1.25	.75	Reno Gold	22,220	.92	.93	.84	.91
1	.15	.04½	Reward Mining	8,700	.05	.05½	.04½	.05½
No	.27	.13	Richfield Cariboo	......	.13	.....	.....	.....
1	.03½	.01	Rufus Argenta	1,600	.01	.01	.01	.01
1	.05	.02	Ruth Hope	500	.02	.02½	.02½	.02½
1	.55	.27	Sally Mines	......	.30	.....	.....	.....
50c	.35	.11	Salmon Gold	8,100	.16	.14	.11	.11
1	.09	.04	Silverado	1,000	.04	.04	.04	.04
25c	.04½	.02	Silvercrest	25,300	.02	.02½	.02	.02½
20c	.17	.04	Silversmith	1,000	.09	.08	.08	.08
50c	.03½	.01	Snowflake	1,000	.01	.01	.01	.01
1	.46	.25	Standard Gold	1,100	.25	.25	.25	.25
10	6.00	4.75	Sunshine	......	5.75	.....	.....	.....
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.45	Taylor Bridge	27,050	.49	.51	.47	.47
1	.54	.35	Taylor Windfall	18,300	.51	.54	.50	.53
25c	.05	.04	Thurlow Gold	......	.04	.....	.....	.....
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04½	United Empire	10,500	.15	.16½	.15	.16
No	3.50	1.40	Vidette Gold	4,800	1.90	2.00	1.90	1.95
No	.24	.06½	Viking	9,000	.09½	.09	.07	.07
No	.27½	.08	Waterloo Gold	5,700	.08½	.10	.08	.10
25c	.03	.01	Waverly Tangier new	11,250	.01½	.02	.01	.01
50c	.47	.07	Wayside	109,950	.08½	.14	.07	.07½
20c	.03	.01½	Wellington	500	.02	.01½	.01½	.01½
No	.44	.24	White Eagle	......	.25	.....	.....	.....
1	.10½	.04	Whitewater	4,000	.05½	.05½	.05	.05
			OIL STOCKS					
1	.15½	.03	Amalgamated	2,800	.10	.10	.09½	.09½
1	.08	.03	Anaconda	4,500	.03½	.03	.03	.03
No	.12	.05	Askalta	2,000	.05	.05½	.04½	.04½
1	.10	.10	Brit. Dominion	......	.10	.....	.....	.....
1	.10½	.05	Crow's Nest	4,200	.07	.06½	.06	.06
No	.09½	.03	Devenish	......	.03	.....	.....	.....
No	.01½	.00½	Fabyan Pete	55,500	.00½	.00½	.00½	.00½
No	.16½	.06	Freehold	250	.07	.07	.07	.07
No	.13	.05	Hargal	600	.06	.05½	.05	.05½
No	.35	.15	High Sarcee	600	.17	.16	.16	.16
No	.05	.00½	Madison	......	.00½	.....	.....	.....
No	.35	.05	Marjon Oil	4,000	.05½	.10	.06	.10
No	.05½	.02½	McD. Segur Ex.	......	.02½	.....	.....	.....
1	.47	.25	McLeod	700	.25	.39½	.30	.30
No	.22	.12	Mercury	9,400	.13	.13	.13	.13
No	.22	.10	Mill City Pete	......	.10	.....	.....	.....
1	.33	.19	Model	1,000	.19	.22	.20	.20
No	.18	.05½	Okalta	2,000	.06½	.06	.05½	.05½
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.05½	Pacalta Oil	5,500	.07	.06½	.05½	.06
No	.75	.14	Ranchmen's	900	.57	.57	.55	.56
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	......	.27	.....	.....	.....
No	.11½	.04½	United	3,200	.04½	.05	.04½	.05
No	.50	.11	Vanalta	9,200	.16	.16	.16	.16
1	.20	.16	Vulcan	......	.16	.....	.....	.....
1	.35	.15	Wellington Oil	......	.33	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Acme Gas†	2c.	.....	McIntyre	$2	4.08
Ajax Oil	8c.	7.69	Mercury Oils‡	4c.	.....
Bralorne	60c.	3.59	Merland Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew	92c.	9.20	Nipissing	12½c.	.....
Coniagas‡	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.00	.....	Petrol Oil‡*	1c.	.....
Dome Mines	$2+$1.50	8.09	Premier	12c.	9.23
Falconbridge	5c.	.....	Pioneer, B.C.	60c.	4.52
Goldfield Cons.‡*	5c.	.....	Royalite	50c.	3.54
Hollinger	65c.+40c.	5.88	San Antonio†	5c.	.....
Howe Sound	$3	.....	Siscoe	12+3c.	6.14
Howey Gold	6c.	.....	Sylvanite	20+5c.	.....
Int. Coal & Coke‡	1c.	.....	Teck-Hughes	60c.	8.63
Int. Nickel c	10c.	.....	Wright-Har	40+15c.	5.72
Lake Shore	$2+$1	5.53			

‡Interim. †Initial. *Paid in 1933.

VANCOUVER STOCK EXCHANGE

(Transaction for Week to July 11)

Par Val.	Range 1934 High	Low	Company	Sales	Close July 4 (or last)	High for week	Low for week	Close July 11
1	.09½	.03½	Alexandria	10,500	.03½	.05½	.04½	.05½
25c	.03½	.01	Bayview	6,000	.01½	.01½	.01½	.01½
20c	.08½	.03	Beaver Silver	4,500	.04	.04½	.04	.04½
25c	.03½	.01	Bluebird	......	.01	.....	.....	.....
1	3.55	2.10	Bradian Gold	8,266	3.35	3.50	3.40	3.48
No	15.50	9.85	Bralorne	4,498	15.00	15.50	15.00	15.50
	.48	.17	Bridge River Cons.	23,950	.23	.23	.20	.20
50c	1.40	.28	Bridge River Exp.	91,480	1.29	1.40	1.22	1.31

Unlisted Mining Stocks

July 17, 1934

Company	Bid	Asked	Company	Bid	Asked
Adanac	..	.30	Long Lac Adair	.40	.44
Arntfield Gold	.92	.95	Long Lac Lag	.33	.36
Arntfield Synd.	.92	1.00	Lamaq. Contact	.23	.25
Bankfield Gold	.89	.91	Lamaque Gold	1.90	2.10
Bathurst	.03½	.04½	McCarthy Webb	.05	.07
Beattie	1.30	1.35	McFarlane L. Lac	.26	.28
Bidgood	.03½	.05	McL. Cockshutt	.67	.71
Big Long Lac	.21	.24	McQuaig R. Lake	.43	.46
Casey Mtn. Syn.	150.00		Marbrian	.68	.74
Calder Bosquet	.25	.30	Matachewan Can.	.12	.16
Can. Pandora	.13	.15½	Metals Devel.	.07	.09
Can. Radium	.06	.10	Middle Bay	.29	.31
Canusa Mining	.06	.08	Minefinders	2.00	3.00
Casey Contact	.33	.35	Martin-Bird Un.	16.00	20.00
Casey Summit	.65	.75	Magnet Lake	.28	.30
Cen. Malartic	13.00	17.00	Montague Gold	3.25	3.75
Cent. Porc.	.45	.50	Murwood	.32	.35
Clover G. Units	39.00	43.00	Mosher Gold	.28½	.30
Clover Gold	.28	.30	Muton Champ.	.28	.30
Cochenour Wil.	80.00	90.00	N.A.M.E. Units	11.00	13.00
Columario (old)	.15	.20	Newroy Gold	..	.34
Condor Cons.	.35	.38	Normetal Mine	.50	..
Continental Kirk.	.04½	.07	North West Min.	.22	.25
Craw. Sud. Syn.	11.00	12.00	Norco Thomp.	.29	.32
Crown Reserve	.07	.09	Nu Sigma Gold	24.00	26.00
Cuniptau	.40	.50	O'Connell Gold	..	.38
Delta Units	40.00	50.00	Payore Mines	.22½	.25
Demers Placer	.93	.97	Peninsular Pet.	.00½	.01
Dennison Cop.	.02	.04	Pontiac Rouyn	.85	.90
Dorval Siscoe	..	16.00	Powell Rouyn	1.15	1.20
Dunlop Cons.	.03½	.04½	Que. Eureka	.09	.12
Eagle Oil	.65	.75	Queen Lebel	.20	.25
El Bonanza	.18	.21	Rice Lake	.69	.72
Empire Hold.	5.00	7.00	Rouyn Reward	.35	.37
Fifty-three Syn.	1.50	2.00	Roche Long Lac	.35	.38
Fleming Thomp.	..	55.00	Rubec	.02½	.03½
Forty-four Gold	14.75	15.50	Scotia Gold	.34	.37
Garnet Long Lac	.15	.17	Senneterre Gold	8.00	11.00
Glenora Gold	..	.35	Silveradium U.	100.00	130.00
Gold Eagle	.60	.64	Silver Valley	.03	.05
Goldside Stk.	.25	.30	Smelter Gold	.31	.33
Gr. Bear Dev.	.20	.25	Sourdough Un.	5.00	10.00
Gr. Bear Lake	.27	.37	So. McK. Island	.35	.37
Gabrielle	.80	.85	Supreme Gold	.19	.21
Hardrock	1.07	1.10	Talisman Gold	.90	.95
Hardrock Units	95.00	105.00	Tashota Goldfield	.42	.47
Herbin L. Un.	18.00	22.00	Tiblemont Island	1.30	1.50
Horseshoe	.07	.08	Toburn	1.30	1.36
Hudson Pat.	.61	.65	Trafalgar L. Lac.	.26	.28
Island Lake	.08	.12	United Gold	1.00	1.10
Johnson Nipigon	..	.30	Upper Can. Gold	.26	.28
Jomac Synd.	34.00	37.00	Wendigo	.87	.93
Kirk. Gold	.24	.28	Young Davidson	.32	.37
Kowkash	.03	.05	Wingold	.42	.45
La Roche	.13	.17	Wanapitei	..	27.00
Lafayette L. Lac.	.18	.21	Wells L. Lac	.32	.35
Lake Geneva	.10	.15			

Source of quotations on application. Not guaranteed.

TRUSTEES FAVOR SHARE CONTRACT FOR COL. MASSIE

Asbestos Corp. Directors' Action Meets With Approval

From Our Own Correspondent

MONTREAL. — Trustees of the voting trust certificates of Asbestos Corp. have voted in favor of the action of the directors in arranging to give Col. F. M. Massie a block of 10,000 shares of common stock over a period of years, as compensation for a smaller cash salary.

It will be recalled that a meeting of the shareholders was called in the early part of the month to vote on the directors' action in arriving at this agreement with the managing director. A vote was taken, and the scrutineers reported that 56,184 shares had been voted in favor of the resolution and 10,025 against the resolution. The chairman of the meeting ruled that 12,036 shares cast in favor of the resolution and 1,028 shares voted against the resolution were not to be counted as the proxies covering them were invalid. Accordingly the resolution was lost as a sufficient number of shares had not been voted in favor of the resolution according to the by-laws of the company.

Actions Were Improper

Immediately following the meeting the voting trustees sought the advice of counsel as to the legality of the rulings of the chairman of the meeting. Counsel, after a minute scrutiny of all rejected proxies and consideration of the legal questions involved, furnished the trustees with their opinion which was to the effect:

That the rulings of the chairman were improper and illegal and that without exception all of the rejected proxies were valid;

That the rejected proxies in all cases indicated the views or opinions of the voting trust certificate holders and the trustees should take into consideration the expression of opinion of such holders.

Voted in Favor

In view of the legal opinion received from counsel, as well as the fact that a majority of the shares voted were in favor of the resolution, the voting trustees at the adjourned general meeting of the company voted all shares subject to the voting trust in approval of the resolutions of the directors which covers a part cash and stock remuneration for his services as managing director of the company.

Metal Prices

New York—July 17—
Copper: Electrolytic spot and future, 9c.
Silver: 46⅛c.

London—July 17—
(Long Ton)—
Copper: Electrolytic spot, £32; future, £33. Standard spot, £29 5s.; future, £29 12s. 6d.
Tin: Spot, £230 17s. 6d.; future, £230 5s.
Lead: Spot, £10 15s; future, £10 17s. 6d.
Zinc: Spot, £13; future, £13 5s. 11d.
Silver: 20-7/16d. per ounce.
Gold: 137s. 11d.

Canada—July 17—
Gold: $34.39.

Kirkland Gold Belt Mines Considers Mill for Autumn

Kirkland Gold Belt Mines is considering installation of a mill, which would be ready for operation by fall, according to a progress report sent out recently over the signature of C. W. Morris, president. Estimated ore reserves have been increased since March from 17,000 tons to well over 30,000 tons.

Shaft sinking which commenced in the middle of June to deepen the shaft from 500 ft. to 750 ft. has now reached a depth of 630 ft., and it is expected, will have reached its objective by August. Diamond drilling is continuing.

GOD'S LAKE GOLD MINES LIMITED

In view of developments on the property we consider this stock an attractive purchase at present levels.

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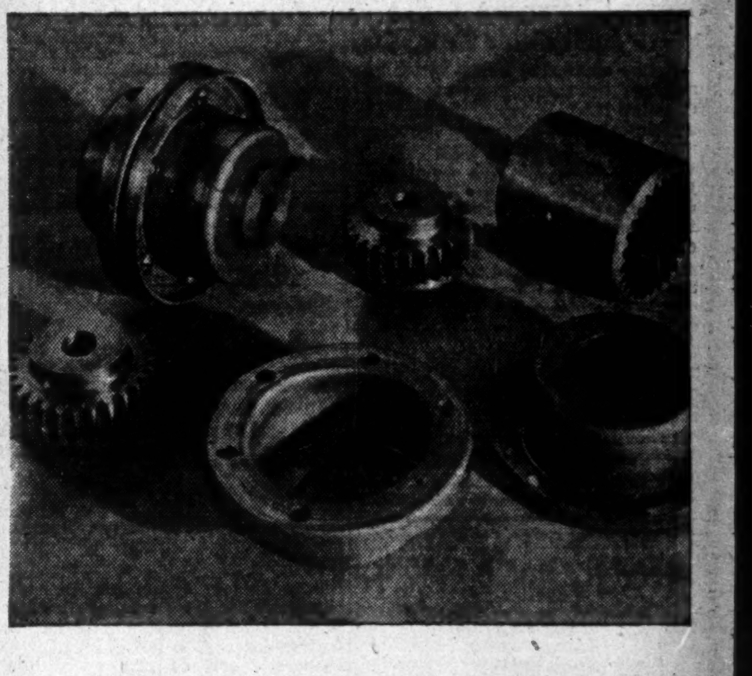

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Ask for Bulletin No. 112

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Dumb - - Talkies

Lacey Amy, distinguished Canadian novelist, says talkies are not only dumb, but "dreary . . . clumsy . . . puerile . . . stupid."

In fact, Mr. Amy is sizzling mad about what Hollywood is doing to the films. "Sucking the lifeblood from an industry," he calls it. His "Dumb Talkies" is an article every movie fan should read.

JULY 15th

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There's been a revolt beyond the Rockies.

Talk of a dictatorship in B. C. . . . of socialism . . . of fascism.

Threats of debt repudiation, even of secession from the Dominion. What's it all mean?

Bruce Hutchison, outstanding political correspondent, explains

Revolt - - beyond the Rockies

ONTARIO MINES

Metal Production and Dividends Paid by the Mines of Ontario, Canada's Premier Province, to the end of 1933.

	Production	Dividends
Gold ...	$500,900,000	$153,108,020
Silver ...	$257,300,000	$ 97,691,281
Nickel .	$359,300,000	$149,723,449
Copper .	$148,100,000	
Total .	$1,265,600,000	$400,522,750

Ontario Department of Mines
HON. PAUL LEDUC
Minister of Mines
TORONTO - CANADA

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Norco-Thompson Active In Cadillac Township

Norco-Thompson Mines which has a substantial share interest in Wood-Cadillac and Brown-Bousquet Co. announces that extensive development plans on these properties in Cadillac area, Quebec, have been laid. Ten men are now at work on the property and several good looking veins have been exposed, according to official information. Diamond drilling will be carried out in the near future.

It is understood that Norco-Thompson is sending men into this section to locate ground for option. The company's manager is at present negotiating for a property in the Rouyn section and an announcement along this line is expected in the course of the next four or five days.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
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TORONTO — MONTREAL

McINTYRE SHOWS QUARTERLY PROFIT OF $1.19 A SHARE

Is One Cent Below All-time High of 1933

The quarterly report of McIntyre Porcupine Mines for the three months ended June 30, showed a net profit of $951,734, equivalent to $1.19 per share.

While this is a slight decrease from the earnings shown in the last quarterly report, it reveals a striking increase when compared with the corresponding three months in 1934, when the net profit was only $800,468, or about $1 per share.

An increase of $233,989 in gross income over last year's period is reported, but increases in cost, especially appropriation for taxes, which was boosted by $14,513 in the year, kept the net profit from the record mark of $1.20.

The earnings in the latest quarterly report are just one cent per share short of the earnings shown for the quarter ended Dec. 31, 1933, which at $1.20 per share, constituted a record for the company's twenty-two years of operation.

For the sake of comparison, the following table shows earnings for the first quarter of 1934, compared with the earnings for the first quarter in 1933:

	1st quar. 1934 $	1st quar. 1933 $
Gross income	2,052,451	1,818,462
Less:		
Costs	858,566	794,098
Taxes	166,300	151,787
Depreciation	75,850	72,108
Net profit	951,734	800,468
Earnings per share	$1.19	$1.00

YMIR YANKEE GIRL TO OFFER PUBLIC 2,200,000 SHARES

Plan to Build 100-ton Mill on B. C. Gold Property

Operated continuously since March, 1932, a group of five crown granted claims, formerly optioned by Yankee Girl Consolidated Mines, came under new management with the formation recently of Ymir Yankee Girl Gold Mines.

The property is about 1½ miles east of Ymir, in the Nelson Mining Division, of B.C. Owing to financial conditions, the option of Yankee Girl Consolidated Mines, financed by Stobie, Forlong & Co. until their assignment in 1930 was allowed to lapse, and the old company has no further interest in the claims.

By the end of 1933 more than 87,000 tons of shipping ore had been sent to the smelter at Trail, for which the company received about $1,100,000. In 1933 the mine shipped 13,489 tons of ore netting, after paying all operating and treatment costs, $69,534. The company is now planning a 100-ton mill. If this is installed, officials claim that with present ore reserves, the mill would handle 35,000 tons per year. Ore reserves are computed to be 181,400 tons of reasonably assured ore and 87,200 tons of probable ore, the assay value of which is said to be about .47 oz. gold per ton.

Ninety Per Cent in Gold

According to official estimates, about 90 per cent of the recoverable values are in gold and annual production, after the mill is installed, will net about $322,000 with gold at $34, silver at .55 cents per ounce, and lead at 4.67 cents per pound.

Ymir Yankee Girl has an authorized capitalization of $3,000,000, in $1 par value shares. A public offering of 2,200,000 shares is presently to be made. The personnel of the company includes Fredrick R. Weekes, New York, pres.; E. Perry Crawford, Berkely Calif., vice-pres.; Walter E. Segsworth, Toronto, Evens E. Wasson, and David S. Wallbridge, Vancouver, directors.

WILTSEL-COGHLAN DRILLS TO SOUTH

New Programme to Find Geological Structure Only, is Report

Wiltsel-Coghlan Mines has launched on a new diamond drilling programme in the south end of their claims in Rouyn Township, Que., parallel to the line of former operations. The property which lies just east of Noranda is being drilled for geological structures only, The Financial Post understands. It is believed that the drilling is being carried out on the same strike as is now being actively drilled on the Clarissy property immediately to the east.

Sullivan Consolidated Shares Listed in Montreal

From Our Own Correspondent

MONTREAL.—Shares of Sullivan Gold Mines have been removed from the Montreal Curb Market and replaced by the shares of Sullivan Consolidated Mines.

The listings of the Sullivan Consolidated Mines, which has taken over property of Sullivan Gold Mines on a basis of 87 Sullivan Consolidated for each 100 Sullivan Gold mines shares, is for 4,000,000 shares at $1 par value each. The ticker abbreviation on the new stock is "SUC."

Napoleonic Motif Evident In Life of New Minister

Hon. Paul Leduc Noted for Decisiveness and Dislike of Ballyhoo — And What's in a Name?

Any pen portrait of Ontario's new Minister of Mines must necessarily be short and to the point.

Because Hon. Paul Leduc is, himself, rather short, and very much to the point.

This characteristic terseness and dislike for ballyhoo are probably the direct result of the remarkable energy which is one of the chief characteristics of this snappy-eyed French-Canadian. To attempt to shepherd him into an artist's studio for a fifteen minute sitting is like trying to pour quick-silver down a soda-water straw.

It is only natural that with such a man, there would be no pretense at a knowledge which is not possessed,

Sketched from life by Evan Macdonald.
HON. PAUL LEDUC

no posing as an expert, no platitudes.

So Mr. Leduc is frank about not knowing an enormous amount about mining as an industry. From him one gets no flowery phrases about "our treasure filled rocks," or "the vast legacies of nature," etc.

But the mining industry, from a governmental point of view, does not necessarily need more knowledge, nor pretty platitudes. It needs just what Mr. Leduc has to offer; terseness and dislike for ballyhoo. Mining men calling on the new minister need not expect to receive advice on treating ore, or sinking a shaft. They will not get eulogies. What they get will be a ready appreciation for their legislative problems, the benefit of a clear, quick thinking mind, and a wholesome, ungarnished faith in mining. Back of this will be the technical knowledge and experience of the deputy and acting deputy ministers, Messrs. Gibson and Sutherland.

The reason that Mr. Leduc comes to Queen's park a comparatively unknown man is not because of lack of ability, but because he is not a publicist.

He was born in Montreal, forty-five years ago, son of Napoleon and Mrs. Leduc. He received his education at St. Mary's College, Montreal, and Laval University, Quebec. He was called to the Quebec bar in 1911, when just 22 years of age. Five years later, he was called to the Ontario bar, and started practising law in Ottawa. His native province honored him by making him a King's Counsel.

Shortish men, with a flair for quick decision and clear thinking, are often compared to that decisive, clear thinking Corsican, Napoleon. Mr. Leduc has never compared himself to Napoleon. Yet the fact remains that Mr. Leduc's father was named Napoleon. With such an ancestry, and such a character, it was only natural that he should marry the daughter of a Napoleon. Mr. Leduc did the natural thing. He married the daughter of the late Senator Napoleon Belcourt, of Ottawa.

The recent election campaign is Mr. Leduc's first venture into politics. It is rather typical that, once persuaded to enter the arena, he should go straight to the point, and become appointed to one of the most important cabinet posts in the Government.

PERRON GOLD STOCK OFFERED AT 80c SHARE

Nesbitt, Thomson and Co. Underwrite Block of 300,000 Shares

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson and Co. have made a public offering of 300,000 treasury shares of Perron Gold Mines at a price of 80 cents a share. This stock was underwritten and proceeds of the present sales naturally do not go to the Perron Gold Mines treasury, but to the underwriters.

Upon completion of this and other financing, Perron Gold will have issued and outstanding a total of 1,537,165 shares and there will remain in the treasury, 452,845 shares. It is pointed out in a circular issued by Nesbitt, Thomson and Co., covering this issue, that chartered accountants have audited books of the company up to June 15, 1934, based upon financing as of that date, and upon completion of present financing, the company will have approximately $180,000 of working capital.

Own 12 Claims

Property owned by the Perron Gold Mines is located in Pascalis and Senneville townships in Northwestern Quebec. In all, there are twelve claims having an aggregate area of 553 acres. Property was staked in the spring of 1931 by J. W. Matthews and associates. Later the claims were acquired by A. J. Perron, Kirkland Lake. All developments to date have been undertaken by private interests without any public offering of shares.

In the report on the property owned by the company, R. W. Howe and Wm. T. May, consulting mining engineers, state, among other things, that the Perron property is a good prospect and "worthy of development, but the purchase of stock in the Perron Gold Mines must be considered as speculative."

Road and Power Reach Pacific Eastern Gold

Directors of Pacific Eastern Gold, operating along Cadwallader Creek in the Bridge River area, B.C., are informed by Col. Yuill, resident mine manager, that some four and a half miles of road have been completed into the property, and that, under agreement with the B. C. Electric Co. power was delivered to the property on July 10. Temporary camps have been built, and test tunnels are being driven with the object of getting into bedrock in the shaft about 600 ft. east of the east boundary of Pioneer, just north of Cadwallader Creek. Col. Yuill plans to drift on one tunnel for 135 ft. and then to sink an inclined shaft some 600 ft.

It is understood that the directors have authorized Col. Yuill to purchase complete equipment, including compressor, motors, etc., for sinking a two compartment shaft for 500 ft. Diamond drilling will be continued on both the Dan Tucker and the Plutus groups.

Viking Mines Will Install Compressors, Power Drill

The management of Viking Mines, operating in the Osoyoos district of B.C. has ordered complete equipment and are planning to start immediately on the installation of compressors, power drills, air receiver and other necessary machinery, it is announced.

O. C. Thompson, formerly manager of the Reno Mine, in Sheep Creek, has been appointed general manager of the company. The new machinery will be shipped to Penticton by rail, and then trucked into the property.

Movements of Mining Men

Sir Thomas Tait, president of Parkhill Gold Mines, has left for the property in the Michipicoten area, where, it is reported, the cross-cut on the 8th level has cut wide quartz showing free gold.

C. A. Billings has been engaged to make a complete examination of the Rouyn Reward Gold Mines, preliminary to a projected diamond drilling campaign. He is now at the property, in Joannes and Rouyn twps., Quebec.

O. C. Thompson, well known mining man of Vancouver, and formerly manager of the Reno Mine, has been appointed manager of the Viking Mines in the Osoyoos district of British Columbia.

Gen. A. D. McRae, accompanied by Ira B. Joralemon, prominent mining engineer of San Francisco, has left by aeroplane for a summer of mineral examination in the far north. The itinerary forms a complete tour of Alaska by air.

Harry Oakes, millionaire prospector, and his wife, were among those presented recently to Their Majesties at the Court of St. James's. Mr. and Mrs. Oakes are residents of Niagara-on-the-Lake.

Tonawanda Mines Reports Finding New Quartz Vein

Tonawanda Mines, which is developing a gold property in Cadillac township, Que., reports that a new quartz vein has been discovered in the banded iron formation to the south of No. 1 vein in the northeastern section of the property where little exploration work has been carried on. The new vein, known as vein No. 6, according to William Jarvis, mine manager, has been traced for a distance of two claims and is believed to be the westerly extension of a vein located on the adjoining Rubec claims.

While the new vein is regarded as important the main or No. 1 vein continues to be the most important showing on the Tonawanda property to date. Mr. Jarvis states that the vein has widened out to as many as 20 feet in an easterly direction.

Gold Mountain Mines.—This company's No. 2 tunnel advanced 28 feet in the week ended July 8 to reach a total length of 370 feet from the portal, about 200 feet from its objective which is the Maple Leaf vein.

72% Increase

Gold Mining has paid about $16,000,000 in dividends to date in 1934 — 72% more than in the same period of 1933.

Which mines are likely to join the dividend paying class this year?

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Research Aids Mines in Nfld. Reports Show

Hints of revived mining activity in Newfoundland are contained in reports from Mings district, where Dr. A. K. Snelgrove, of New York, economic geologist to the commission government is exploring for mineral prospects, aided by a well trained staff.

A Newfoundland mining company is understood to be prospecting actively a new discovery on Lloyd's Lake, at the head of Red Indian Lake, a strike which is supposed to be a continuance of Buchans.

With copper past eight cent mark, reports are rife that the old workings at Tilts Cove and Betts Cove are to be reopened.

New Company Acquires McChesney-Mosso Assets

A new company to be known as Valdor Gold Mines with a capitalization of $2,000,000 in $1 par value shares will be formed as the result of a special general meeting held by shareholders of McChesney-Mosso Gold Syndicate. At that meeting an agreement between F. J. Crawford & Co., and the trustees of the syndicate was approved.

The new company which will take over the property and assets of the syndicate will direct a diamond drill campaign to be started on the property adjoining the Lamaque Gold Mines on the west and east immediately. The syndicate will receive 527,000 shares.

Siscoe Earns 13.1c a Sh. In 6 Mos. Ended June 30

Siscoe Gold Mines reports earnings for the six months ended June 30th at $604,480 or 13.1 cents per share after all charges. This compares with 11.5 cents per share in the second half of 1933 and with 7.3 cents in the first half of 1933. The milling rate has been increased, 59,000 tons being treated against 56,635 tons in the second half of 1933 and 39,713 tons in the first half of 1933.

B. C. POWER CORP. COMPLETING PLANT AT BRIDGE RIVER

New Development Will Supply Power to Mining Area

From Our Own Correspondent

MONTREAL.—B. C. Power Corp.'s new hydro-electric development at Bridge River is expected to be in operation this week. The penstock has been completed and the work of assembling the generator and Pelton wheel was well toward finishing at the beginning of the month.

The high tension line from the end of the old 12,000-volt line to Bralorne sub-station has been completed, and the contractors are working on the old line, bringing it up to 60,000-volt capacity.

Step-up transformers have already been shipped to Bridge River, while seven new step-down transformers have been received from Hamilton. Nine more are expected, sufficient for the four transformer stations with spares. These stations will be located adjacent to the Bralorne, B.R.X., Minto and Pacific Eastern properties.

Water is Available

The work on the intake is well under way. In the early part of the month water was high enough in Bridge River to flow directly into the tunnel, but it is expected that the electric pumps will be needed during the early stages of operation.

It is now expected that before the end of August current will be available in the townsites of Bralorne, Fish Lake, Minto and Goldbridge. Work will begin immediately on distribution lines in these areas, tapping the nearest transformer station. Bridge River townsite on Seton Lake will also be served, direct from the power house.

Heavy Silver Buying Followed by Softness

Heavy buying of silver by speculators and the Indian bazaars followed the report late in June that the United States Government had placed an embargo on the export of silver except under license, according to Samuel Montagu & Co., London bullion dealers. Prices rose to the highest since November, 1931.

Buyers showed hesitation at the higher levels, it is stated, and some reaction resulted. At the same time China was inclined to sell and there was also some profit-taking. The United States, it is reported, has been a moderate seller of silver.

The undertone of the market seems "perhaps rather less firm" at the moment (July 4) the bullion firm reports.

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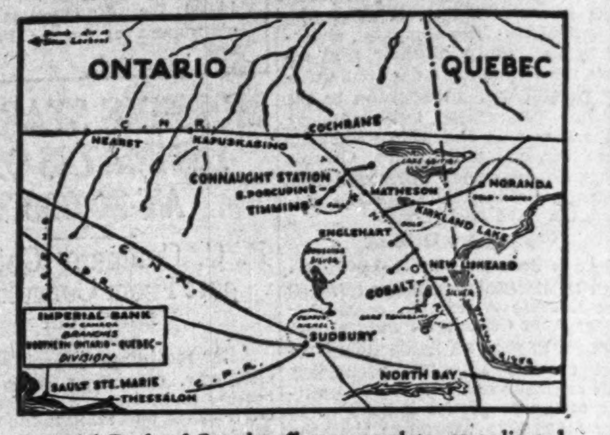

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CAPITALIZATION

Authorized	3,000,000 shares ($1.00 Per Share Par Value)
Issued for properties	500,000 shares (until Sept. 18, 1935 pooled)
Present offering	200,000 shares
Remaining in Treasury	2,300,000 shares

PROPERTIES AND ACCESSIBILITY—The properties are situated in the Kenora Mining Division, in northwestern Ontario. The properties consist of ten claims, six of which, constituting the Sakoose mine, are situated a little north of Kawashegaumuk Lake and east of Wabigon Lake, only six miles south of the Dyment station on the Canadian Pacific Railway, with which they are directly connected by a well-maintained motor highway. The four other claims are located on Contact Bay, on the southwest banks of Wabigon Lake, near the town of Dryden, which is also a station on the C.P.R.

DEVELOPMENT—Two shafts have been sunk on the Sakoose property. No. 1 shaft is down 250 feet, with about 400 feet of drifting on the vein, with parts of the vein stoped out. An open cut extends from near No. 1 shaft northeast for about 200 feet. No. 2 shaft is down to 100 feet on the southeast wall of the vein at a place where the deposit is about 10 feet wide. Eight veins in all have been discovered, so far, with most development work confined to No. 1 vein, on which the shafts were sunk. Quoting from a report made by R. Russell Clark, (October, 1933) the following extracts are of interest:

Main Vein—"This vein can be followed for about 700 feet along its strike. It is said that the vein was followed some distance southwest of this shaft by drifts. Trenching and stripping will probably prove that the vein extends farther northeast from the last showing....... The vein averages about 4 feet in width in the underground workings. Where it is exposed on surface it varies from eighteen inches to sixty feet and will probably average between six and eight feet in width ....

Mineralized Zone—"Very little work has been done on this lead.... Judging by its rusty surface, it is well mineralized."

Mr. Clark also states:

"Using modern methods in mining, and especially milling ... a great deal of what was waste rock then, would be ore now." "The main vein is practically certain to be an important body of ore. The Northwest-Southeast lead should prove to be a good sized orebody and the mineralized zone may prove to be a third orebody. The Sakoose is a fine prospect." Mr. Clark's sampling of the dump gave from $22.30 to $38.90 per ton (gold at $20.67) .... There are several thousand tons of good ore broken in the stopes according to records. **"There is enough showing on one 40-acre claim to rank this property among the best undeveloped properties in Canada."**

For further reports on geology and mineralization, see report by E. L. Bruce, in Ontario Department of Mines Bulletin No. 85, also map, page 38.

ASSAYS—Various sample assays taken from the Sakoose mine gave important indications as to the possible inherent values. Some of these, together with their origin are as follows:

Vein No. 2	$38.90	Dump Samples, Vein No. 3	$36.80
Vein No. 1	35.30	West Dump Samples	29.75
Vein No. 3	26.85	Old Dump	22.30

while high grade grab samples gave ten ounces of gold. These values are all taken with gold at $20.67.

PRODUCTION—More than 7,735 tons of gold ore were mined and milled from the Sakoose stopes up to the time of the closing of this mine in 1902, due to a split up of factions amongst shareholders. Quoting Vol. II, Ontario Dept. of Mines, 1902—"It is expected, however, that a settlement of the differences between the chief shareholders will shortly be made, followed by the resumption of development and at a later date of ore production. The pay chute in the mine, according to the manager, being now better defined than formerly and quite as rich." At the rate of an ounce of gold to the ton—a conservative estimate in view of recent assays—the output of this mine in the three years of its operation, is understood to have had a value of approximately $160,000.00 (gold at $20.67). Intensive productive operations are now about to be resumed on these properties, with the most highly-efficient development methods.

PLANS—Present plans include sinking to the 500-foot level and cross-cutting from all levels, in order to start milling operations as soon as possible. These plans are already under way with a crew of men dewatering the mine and preparing for immediate resumption of development.

MANAGEMENT—The physical direction of the work will be supervised by a mining geologist, who has a background of a score of years spent in successful development of gold mine properties in Canada, assisted by a resident mine manager of long experience in the operation of gold and other metal mines in Spain and Mexico, as well as in the Dominion.

PROFITS—The company is advised that the rich ore taken from the Sakoose mine workings, under obsolete conditions in the early days of this mine, showed a moderate profit for its owners—with gold at $20.67 an ounce. Therefore, with the application of modern, efficient methods of mining and milling—and with gold at $35 an ounce—it is reasonable to believe that this enterprise will make substantial profits.

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